Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

MOTION RECORD

(Sale of Hwy 97 Property and Financial Advisor Amendment)
(Returnable June 9, 2021)

June 2, 2021

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Lawyers for the Applicants

Court File No. CV-20-00638930-00CL

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INDEX

TAB	**DOCUMENT**
3.	Draft Approval and Vesting Order
4.	Comparison of Draft Approval and Vesting Order to Model Order
5.	Draft Financial Advisor Amendment Approval Order

Tab 1

Court File No. CV-20-00638930-00CL

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

NOTICE OF MOTION
(Sale of Hwy 97 Property and Financial Advisor Amendment)
(Returnable June 9, 2021)

The Applicants will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on June 9, 2021 at 10:00 a.m., or as soon after that time as the motion can be heard, by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 pandemic. Please refer to the conference details attached as Schedule "A" hereto in order to attend. Please advise if you intend to join the motion by emailing Trevor Courtis at tcourtis@mccarthy.ca.

THE MOTION IS FOR:

(a) an order substantially in the form attached to the Motion Record at Tab 3 (the "**Approval and Vesting Order**"), among other things:

(i) approving the transaction contemplated by the agreement dated May 11, 2021 (the "**Hwy 97 Sale Agreement**") entered into between CTI Holdings (Osoyoos) Inc. ("**CTI**" or the "**Vendor**") and Swaranjit Singh Chahal and Ravinder Kaur Chahal (the "**Purchasers**"), wherein the Purchasers agreed to purchase the property municipally known as 7621 Highway 97, Oliver, British Columbia (the "**Hwy 97 Property**") from the Vendor, subject to the terms and conditions of the Hwy 97 Sale Agreement; and

(ii) sealing Confidential Exhibit "G" attached to the Guyatt Affidavit (as defined below) until further Order of the Court;

(b) an order substantially in the form of the draft order included at Tab 5 of the Motion Record (the "**Financial Advisor Amendment Approval Order**"), among other things, approving the amendment letter between Greenhill & Co. Canada Ltd. (the "**Financial Advisor**") and the CannTrust Group dated as of June 2, 2021 (the "**Financial Advisor Amendment**"); and

(a) such further and other relief as counsel may requested and this Honourable Court may allow.

THE GROUNDS FOR THE MOTION ARE:

1. All capitalized terms used but not defined herein have the meanings given to them in the affidavit of Greg Guyatt, sworn June 2, 2021.

The Hwy 97 Property

2. CTI acquired 81 acres of agricultural land in Osoyoos and Oliver, British Columbia (the "**BC Outdoor Cultivation Lands**") in March 2019. The BC Outdoor Cultivation Lands are comprised of four parcels. The Hwy 97 Property that is the subject of the Hwy 97 Sale Agreement represents one of these four parcels.

3. The CannTrust Group has determined that the BC Outdoor Cultivation Lands are not required for its current or future operations. The CannTrust Group therefore decided to market the BC Outdoor Cultivation Lands for sale.

Agreement of Purchase and Sale

4. The Hwy 97 Sale Agreement is the result of an extensive market solicitation effort by the CannTrust Group and Colliers.

5. The Hwy 97 Property is a surplus asset – the CannTrust Group does not anticipate carrying out any operations at the Hwy 97 Property. The CannTrust Group intends to use the proceeds from the transaction for working capital and other corporate purposes.

6. The purchase price and the terms and conditions of the Hwy 97 Sale Agreement are fair and reasonable and selling the Hwy 97 Property pursuant to the Hwy 97 Sale Agreement is in the best interest of the CannTrust Group and its stakeholders generally.

7. The Monitor supports the issuance of the Approval and Vesting Order.

8. Accordingly, the Approval and Vesting Order is appropriate and should be issued by this Court.

Sealing Order

9. The CannTrust Group seeks a sealing order in respect of Confidential Exhibit "G" attached to the Guyatt Affidavit, which contains the unredacted version of the Hwy 97 Sale Agreement including the purchase price.

10. The purchase price is commercially sensitive information, the disclosure of which could adversely affect the CannTrust Group and may hinder future attempts by Colliers to market and solicit potential purchasers for the Hwy 97 Property and the other parcels that comprise the BC Outdoor Cultivation Lands which are similar agricultural properties in the same geographic area.

11. The breadth and duration of the sealing order are narrowly tailored. Accordingly, the sealing order is appropriate and should be issued by this Court.

Financial Advisor Amendment

12. In the Amended and Restated Initial Order, this Court approved the amended and restated engagement letter dated as of April 3, 2020 pursuant to which the CannTrust Group engaged the Financial Advisor to assist the CannTrust in a review of strategic alternatives (the "**Financial Advisor Engagement Letter**").

13. In order to obtain the Financial Advisor's agreement to subordinate the Transaction Fee Charge to the DIP Lender's Charge and to secure the ongoing assistance of the Financial Advisor to the extent necessary, the CannTrust Group agreed to the following amendments to the Financial Advisor Engagement Letter which are reflected in the Financial Advisor Amendment:

(a) the Financial Advisor's engagement will be extended and will be deemed terminated 12 months from June 2, 2021, unless it is again extended by mutual written consent; and

(b) subsection 2(e) will be amended such that the Transaction Fee shall be payable upon the earlier of public announcement of and execution of a definitive agreement with respect to a Transaction if the CannTrust Group is still subject to these CCAA proceedings; otherwise the Transaction Fee shall be payable in accordance with the terms of the Financial Advisor Engagement Letter.

14. The expertise and institutional knowledge of the Financial Advisor will be beneficial to the CannTrust Group and its stakeholders as it continues it efforts to rebuild its business.

15. The Monitor supports the approval of the Financial Advisor Amendment.

16. Accordingly, the Financial Advisor Amendment Approval Order is appropriate and should be issued by this Court.

17. The CannTrust Group also relies upon the following:

(a) Section 11 and other provisions of the CCAA and the inherent and equitable jurisdiction of this Court;

(b) Rules 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure* (Ontario), as amended; and

(c) Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

(a) the affidavit of Greg Guyatt, sworn June 2, 2021; and

(b) the Twelfth Report of the Monitor, to be filed; and

(c) such further and other materials as counsel may advise and this Court may permit.

June 2, 2021

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Lawyers for the Applicants

TO: SERVICE LIST

SCHEDULE "A"

Conference Details to join Motion via Zoom

Topic: CannTrust Holdings Inc. (Court File No. CV-20-00638930-00CL)

Time: June 9, 2021 10:00 AM Eastern Time (US and Canada)

Join Zoom Meeting:

https://us06web.zoom.us/j/82069514666?pwd=cVdOVlNYZzZXeGR3enR6NnlJSmZ1Zz09

Meeting ID: 820 6951 4666

Passcode: 749584

One tap mobile

+16475580588,,82069514666#,,,,*749584# Canada

+17789072071,,82069514666#,,,,*749584# Canada

Dial by your location

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+1 778 907 2071 Canada

+1 204 272 7920 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 669 900 6833 US (San Jose)

+1 929 205 6099 US (New York)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

Meeting ID: 820 6951 4666

Passcode: 749584

Find your local number: https://us06web.zoom.us/u/kfR3fhIop

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF MOTION
(Sale of Hwy 97 Property and Financial Advisor Amendment)
(Returnable June 9, 2021)

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Lawyers for the Applicants

Tab 2

Court File No. CV-20-00638930-00CL

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

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Applicants

AFFIDAVIT OF GREG GUYATT
(Sworn June 2, 2021)

I, Greg Guyatt, of the City of Mississauga, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Chief Executive Officer ("**CEO**") of CannTrust Holdings Inc. ("**CannTrust Holdings**"). I have served in this capacity since February 17, 2020. Prior to my appointment as CEO, I served as the Chief Financial Officer ("**CFO**") of CannTrust Holdings since joining CannTrust Holdings on or around February 19, 2019. I am a Chartered Professional Accountant and have more than 20 years of experience in the consumer packaged goods, retail, pharmaceutical and private equity sectors.

2. Through my current role as CEO, and my former role as CFO, of CannTrust Holdings, I am familiar with the operations, financial results and strategies of the Applicants. As such, I have personal knowledge of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my knowledge and believe it to be true.

3. For ease of reference, the Applicants will be collectively referred to herein as the

"**CannTrust Group**". All dollar references herein are Canadian dollars unless otherwise referenced.

4. This affidavit is sworn in support of a motion by the CannTrust Group for:

(a) an order substantially in the form of the draft order included at Tab 3 of the Motion Record of the CannTrust Group (the "**Approval and Vesting Order**"), among other things:

(i) approving the transaction contemplated by the agreement dated May 11, 2021 (the "**Hwy 97 Sale Agreement**") entered into between CTI Holdings (Osoyoos) Inc. ("**CTI**" or the "**Vendor**") and Swaranjit Singh Chahal and Ravinder Kaur Chahal (the "**Purchasers**"), wherein the Purchasers agreed to purchase the property municipally known as 7621 Highway 97, Oliver, British Columbia (the "**Hwy 97 Property**") from the Vendor, subject to the terms and conditions of the Hwy 97 Sale Agreement; and

(ii) sealing the unredacted version of the Hwy 97 Sale Agreement attached hereto as Confidential Exhibit "G" until the completion of the transaction contemplated by the Hwy 97 Sale Agreement; and

(b) an order substantially in the form of the draft order included at Tab 5 of the Motion Record of the CannTrust Group (the "**Financial Advisor Amendment Approval Order**"), among other things, approving the amendment letter between Greenhill & Co. Canada Ltd. (the "**Financial Advisor**") and the

CannTrust Group dated as of June 2, 2021 (the "**Financial Advisor Amendment**").

I. APPROVAL OF HWY 97 SALE AGREEMENT

(i) CCAA Proceedings

5. On March 31, 2020, the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) granted an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") in favour of the CannTrust Group.

6. On April 9, 2020, the Honourable Mr. Justice Hainey granted an order (the "**Amended and Restated Initial Order**") amending and restating the Initial Order. A copy of the Amended and Restated Initial Order is attached hereto as **Exhibit "A"**.

7. On April 30, 2021, the Honourable Mr. Justice Hainey granted an order (the "**DIP Approval Order**"), among other things, authorizing and empowering the CannTrust Group to borrow under a CCAA interim financing and exit credit facility (the "**DIP and Exit Loan**") to be provided by Cortland Credit Lending Corporation in its capacity as administrative agent (the "**Agent**") on behalf of itself, its affiliates and/or other lenders to be designated from time to time (collectively, the "**DIP Lender**"), in the maximum amount of $22.5 million, on the terms and subject to the conditions set forth in the term sheet between the CannTrust Group and the Agent dated April 13, 2021 (the "**DIP Term Sheet**"). A copy of the DIP Approval Order is attached hereto as **Exhibit "B"**. A copy of a redacted version of the DIP Term Sheet is attached hereto as **Exhibit "C"**.

(ii) Background on the Hwy 97 Property

8. CTI is incorporated pursuant to the *Business Corporations Act* (British Columbia) and is a wholly owned subsidiary of CannTrust Inc. ("**CannTrust Opco**").

9. CTI acquired 81 acres of agricultural land in Osoyoos and Oliver, British Columbia (the "**BC Outdoor Cultivation Lands**") in March 2019. The CannTrust Group initially planned to utilize the BC Outdoor Cultivation Lands for outdoor cannabis cultivation for its extraction-based products. CannTrust Opco filed an application with Health Canada for a licence to plant and cultivate on the BC Outdoor Cultivation Lands. However, that application was put on hold and subsequently withdrawn by the CannTrust Group following its regulatory challenges that arose in June and July 2019, as detailed in previous affidavits that I have sworn in these proceedings.

10. The CannTrust Group has determined that the BC Outdoor Cultivation Lands are not required for its current or future operations given its current operational restructuring strategy and its anticipated production capacity requirements in the short and medium term. The CannTrust Group therefore decided to market the BC Outdoor Cultivation Lands for sale.

11. The BC Outdoor Cultivation Lands are comprised of four parcels. The Hwy 97 Property that is the subject of the Hwy 97 Sale Agreement represents one of these four parcels. The declared value of the Hwy 97 Property at the time it was acquired by CTI in March 2019 was $739,000.

12. A copy of a Title Search for the Hwy 97 Property completed on May 25, 2021 is attached hereto as **Exhibit "D"**.

13. The Title Search indicates that the sole encumbrance registered against the Hwy 97 Property is a statutory right of way in favour of utility provider FortisBC Inc. The proposed Approval and Vesting Order would not discharge this statutory right of way.

14. The Hwy 97 Property is also collateral for the DIP and Exit Loan. Pursuant to the DIP Term Sheet, the Agent is entitled to receive the net sales proceeds from the sale of the BC Outdoor Cultivation Lands in an amount equal to 55% of the appraised value of the BC Outdoor Cultivation Lands up to the total amount outstanding under the DIP and Exit Loan. The CannTrust Group has not made any draws under the DIP and Exit Loan to date. The CannTrust Group intends to make an initial draw under the DIP and Exit Loan during the week of May 31, 2021.

(iii) The Marketing and Solicitation Process was Fair and Reasonable

15. The CannTrust Group retained the services of Colliers International ("**Colliers**") – a full service commercial real estate company with expertise in the agricultural and cannabis industries – to canvass the market for potential purchasers for the BC Outdoor Cultivation Lands (the "**Solicitation Process**").

16. Colliers initially listed the four parcels comprising the BC Outdoor Cultivation Lands as a portfolio sale on the South Okanagan Real Estate Board MLS on March 3, 2021. A copy of the marketing brochure for the portfolio prepared by Colliers is attached hereto and marked as **Exhibit "E"**. Colliers immediately commenced its market solicitation and due diligence process, prepared marketing materials, organized a site visit, and made direct calls to potential purchasers.

17. Due to the limited interest in the BC Outdoor Cultivation Lands as a portfolio, Colliers subsequently determined that it was preferable to list each of the parcels on an individual basis. Accordingly, the individual parcels were listed on the South Okanagan Real Estate Board MLS on April 30, 2021.

18. A report from Colliers on its marketing efforts with respect to the Solicitation Process for the Hwy 97 Property is attached hereto and marked as **Exhibit "F"** (the "**Marketing Summary**"). The following is a summary of the actions taken by Colliers, as detailed in the Marketing Summary:

(a) Information Package: Colliers prepared a comprehensive Information Package that provides detailed information with respect to the Hwy 97 Property. Location maps, legal plans, improvement details, zoning bylaws, photographs and more were made available to prospective purchasers upon request.

(b) Websites: In addition to the MLS, Colliers placed the listing for the Hwy 97 Property on ColliersCanada.com and UniqueProperties.ca. The listing received nearly 900 views between these three websites.

(c) E-mail Marketing: Colliers sent two marketing e-mail blasts to over 2,500 different qualified prospects, including active owner-occupiers, investors, and corporations within the investment and agricultural sector. With respect to these e-mail blasts, Colliers reported:

(i) Unique Opens: 40.76% (887 opens);

(ii) Clicks: 27.45% (115 people); and

(iii) Clicks Per Person: 2.86.

(d) Direct Contact: Colliers had personal and direct contact with an estimated 50 prospects, in addition to other casual conversations and quick inquiries that followed the marketing e-mails. Colliers also received 15 separate inquiries from prospective purchasers, half of which were realtors and the remainder were owner-occupiers.

(e) Tours: Six different groups of potential buyers viewed the Hwy 97 Property with Colliers.

19. On May 5, 2021, the Purchasers made an initial offer on the Hwy 97 Property. The Purchasers' initial offer was believed to be below market value, and was countered by the Vendor. The Purchasers then submitted a secondary offer, which was accepted by the Vendor.

(iv) Agreement of Purchase and Sale

20. Acceptance of the Hwy 97 Sale Agreement was confirmed on May 14, 2021. An unredacted copy of the Hwy 97 Sale Agreement is attached as **Confidential Exhibit "G"**. A copy of the Hwy 97 Sale Agreement with the purchase price redacted is attached hereto and marked as **Exhibit "H"**. As set out further below, the CannTrust Group is requesting that the unredacted version of the Hwy 97 Sale Agreement containing the purchase price be sealed by this Court until the completion of the transaction contemplated by the Hwy 97 Sale Agreement.

21. The purchase price contemplated by the Hwy 97 Sale Agreement is greater than $500,000. Accordingly, pursuant to the Amended and Restated Initial Order, the transaction

must be approved by this Court.

22. The Hwy 97 Sale Agreement is conditional on the following which were inserted for the benefit of the Vendor:

(a) approval of the Hwy 97 Sale Agreement by Ernst & Young Inc. in its capacity as monitor of the CannTrust Group (the "**Monitor**");

(b) approval of the Hwy 97 Sale Agreement by the Agent; and

(c) the Vendor obtaining an approval and vesting order with respect to the Hwy 97 Sale Agreement and the sale of the Hwy 97 Property.

23. The Hwy 97 Sale Agreement has been approved by the Agent. The Vendor is required to notify the Purchasers that the remaining conditions have been satisfied or waived on or before 5:00 p.m. on June 14, 2021, otherwise the Hwy 97 Sale Agreement would be null and void.

(v) The Approval and Vesting Order is Appropriate

24. The CannTrust Group, in consultation with Colliers and the Monitor, determined that the highest and best value for the Hwy 97 Property would be obtained by selling it on an individual basis pursuant to the Hwy 97 Sale Agreement. The Hwy 97 Property is a surplus asset – the CannTrust Group does not anticipate carrying out any operations at the Hwy 97 Property given its current operational restructuring strategy and its anticipated production capacity requirements in the short and medium term. The CannTrust Group intends to use the proceeds from the transaction for working capital and other corporate purposes.

25. I believe, based on the extensive marketing efforts to sell the Hwy 97 Property on a portfolio and individual basis undertaken by Colliers, that: (i) the purchase price and the terms and conditions of the Hwy 97 Sale Agreement are fair and reasonable; and (ii) selling the Hwy 97 Property pursuant to the Hwy 97 Sale Agreement is in the best interest of the CannTrust Group and its stakeholders generally.

26. I understand that the Monitor supports the issuance of the proposed Approval and Vesting Order and will be filing a report with its views in that regard.

(vi) Sealing Order

27. The proposed Approval and Vesting Order provides that the unredacted copy of the Hwy 97 Sale Agreement containing the purchase price attached hereto as Confidential Exhibit "G" shall be sealed, kept confidential and should not form part of the public record unless otherwise ordered by the Court. The purchase price has been redacted from the copies of the Marketing Report and Hwy 97 Sale Agreement attached hereto as Exhibits "F" and "H".

28. The purchase price is commercially sensitive information, the disclosure of which could adversely affect the CannTrust Group. The transaction contemplated by the Hwy 97 Sale Agreement is conditional upon, among other things, the CannTrust Group being granted an Approval and Vesting Order by this Court. If the Court does not grant the Approval and Vesting Order, the transaction contemplated by the Hwy 97 Sale Agreement will not close and Colliers will need to go back to the market with the Hwy 97 Property. Disclosure of the purchase price may hinder any future attempts by Colliers to market and solicit potential purchasers for the Hwy 97 Property and the other parcels that comprise the BC Outdoor Cultivation Lands which are similar agricultural properties in the same geographic area. The

unredacted copy of the Hwy 97 Sale Agreement will be unsealed upon the closing of the transaction. The breadth and duration of the sealing order are narrowly tailored.

29. Accordingly, it is appropriate for this Court to seal the unredacted copy of the Hwy 97 Sale Agreement containing the purchase price attached hereto as Confidential Exhibit “G”.

II. APPROVAL OF FINANCIAL ADVISOR AMENDMENT

(i) Background

30. In the Amended and Restated Initial Order, this Court approved the amended and restated engagement letter dated as of April 3, 2020 pursuant to which the CannTrust Group engaged the Financial Advisor to assist the CannTrust Group in a review of strategic alternatives (the “**Financial Advisor Engagement Letter**”). A copy of the Financial Advisor Engagement Letter is attached hereto as **Exhibit “I”**.

31. The Court also approved the appointment of the Financial Advisor pursuant to the terms thereof including, without limitation, the payment of the fees and expenses contemplated thereby.

32. The services provided by the Financial Advisor pursuant to the Financial Advisor Engagement Letter included, if and to the extent requested by the CannTrust Group, among other things:

(a) general financial advisory services;

(b) assistance in preparation of materials in connection with a full or partial sale of the CannTrust Group;

(c) solicitation of interest from potential strategic partners;

(d) assistance in negotiations with potential strategic partners; and

(e) fairness opinions, if required.

33. The Financial Advisor assisted the CannTrust Group and the Monitor in carrying out the sale and investment solicitation process that was approved by this Court on May 8, 2020 and implemented thereafter.

34. The Financial Advisor Engagement Letter provided for an Engagement Fee and a Work Fee that were paid by CannTrust in advance of the filing and did not contemplate ongoing periodic fees. The Financial Advisor Engagement Letter also contemplated a Transaction Fee in an amount equal to the sum of (a) $1,000,000 plus (b) 4.0% of the value the consideration payable to CannTrust Holdings, its shareholders or creditors pursuant to any Transaction (as that term is defined in the Financial Advisor Engagement Letter) to the extent that the value exceeds $45,000,000 (the "**Transaction Fee**").

35. Pursuant to the Amended and Restated Initial Order, the Transaction Fee was secured by a court-ordered charge on the property of the CannTrust Group (the "**Transaction Fee Charge**"), which ranked as follows:

(a) First – the Administration Charge (to a maximum amount of $1.4 million);

(b) Second – the Directors' Charge (to a maximum amount of $3.55 million);

(c) Third – KERP Charge (to a maximum amount of $1.4 million);

(d) Fourth – Transaction Fee Charge; and

(e) Fifth – Intercompany Charge.

(ii) Financial Advisor Amendment

36. The DIP Term Sheet provided that the DIP and Exit Loan would be secured by a court-ordered super-priority DIP financing charge (the "**DIP Lender's Charge**") on the property of the CannTrust Group, which would only be subordinate to the Administration Charge, the Directors' Charge and the KERP Charge.

37. In order to obtain the Financial Advisor's agreement to subordinate the Transaction Fee Charge to the DIP Lender's Charge and to secure the ongoing assistance of the Financial Advisor to the extent necessary, the CannTrust Group agreed to the following amendments to the Financial Advisor Engagement Letter:

(a) the Financial Advisor's engagement will be extended and will be deemed terminated 12 months from June 2, 2021, unless it is again extended by mutual written consent; and

(b) subsection 2(e) will be amended such that the Transaction Fee shall be payable upon the earlier of public announcement of and execution of a definitive agreement with respect to a Transaction if the CannTrust Group is still subject to these CCAA proceedings; otherwise the Transaction Fee shall be payable in accordance with the terms of the Financial Advisor Engagement Letter.

38. On June 2, 2021, the CannTrust Group and the Financial Advisor entered into the Financial Advisor Amendment. A copy of the Financial Advisor Amendment is attached hereto as **Exhibit "J"**.

(iii) The Financial Advisor Amendment Approval Order is Appropriate

39. I believe that it is appropriate for the Court to approve the Financial Advisor Amendment. The expertise and institutional knowledge of the Financial Advisor will be beneficial to the CannTrust Group and its stakeholders as it continues it efforts to rebuild its business. I believe that the Financial Advisor Amendment is appropriate and necessary to secure the ongoing assistance of the Financial Advisor to the extent necessary.

40. The CannTrust Group has consulted with the Monitor in negotiating the Financial Advisor Amendment. I understand that the Monitor supports the approval of the Financial Advisor Amendment and will be filing a report with its views in that regard.

III. CONCLUSION

41. For the reasons stated above, the relief requested in the Approval and Vesting Order and the Financial Advisor Amendment Approval Order is in the best interests of the CannTrust Group and its stakeholders and is appropriate in the circumstances.

SWORN remotely by Greg Guyatt of the City of Mississauga before me at the Town of Whitchurch-Stouffville, in the Province of Ontario on June 2, 2021 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*.

Greg Guyatt

A Commissioner for Taking Affidavits

This is **Exhibit "A"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
2nd day of June, 2021

A Commissioner for taking affidavits

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 9TH
	)	
MR. JUSTICE HAINEY	)	DAY OF APRIL, 2020

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC., AND ELMCLIFFE INVESTMENTS INC.

Applicants

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order amending and restating the Initial Order (the "**Initial Order**") issued on March 31, 2020 (the "**Initial Filing Date**") and extending the stay of proceedings provided for therein was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Greg Guyatt sworn March 31, 2020 and the Exhibits thereto (the "**Guyatt Affidavit**"), the affidavit of Greg Guyatt sworn April 6, 2020 and the Exhibits thereto (the "**Second Guyatt Affidavit**"), the consent of Ernst & Young Inc. ("**EYI**") to act as the Monitor (in such capacity, the "**Monitor**"), the Pre-Filing Report of EYI in its capacity as the proposed Monitor dated March 31, 2020, and the First Report of the Monitor dated April 8, 2020, and on hearing the submissions of counsel for the Applicants, the Monitor and those other parties that were present as listed on the counsel slip, no other party appearing although duly served as appears from the Affidavit of Service of Trevor Courtis sworn April 7, 2020.

AMENDING AND RESTATING INITIAL ORDER

1. **THIS COURT ORDERS** that the Initial Order, reflecting the Initial Filing Date, shall be amended and restated as provided for herein.

SERVICE

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

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court one or more plans of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants 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 Applicants shall continue to carry on business in a manner consistent with the preservation of their businesses (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business, to preserve the value of the Property or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place or, with the consent of the Monitor, 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 Applicants 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 Applicants, 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 Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that each of the Applicants' existing depository and disbursement banks (collectively, the "**Banks**") is authorized to debit the applicable Applicant's accounts in the ordinary course of business without the need for further order of this Court for: (i) all cheques drawn on the applicable Applicant's accounts which are cashed at such Bank's counters or exchanged for cashier's cheques by the payees thereof prior to the date of this Order; (ii) all cheques or other items deposited in one of the Applicant's accounts with such Bank prior to the date of this Order which have been dishonoured or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent an Applicant was responsible for such items prior to the date of this Order; and (iii) all undisputed pre-filing amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

8. **THIS COURT ORDERS** that any of the Banks may rely on the representations of the applicable Applicant with respect to whether any cheques or other payment order drawn or issued by the applicable Applicant prior to the date of this Order should be honoured pursuant to this or any other order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the applicable Applicant as provided for herein.

9. **THIS COURT ORDERS** that (i) those certain existing deposit agreements between the Applicants and the Banks shall continue to govern the post-filing cash management relationship between the Applicants and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect, (ii) either any of the Applicants, with the consent of the Monitor, or the Banks may, without further Order of this Court, implement changes to the Cash Management System and procedures in the ordinary course of business pursuant to the terms of those certain existing deposit agreements, including, without limitation, the opening and closing of bank accounts, and (iii) all control agreements in existence prior to the date of this Order shall apply.

10. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the Initial Filing Date:

(a) all outstanding and future wages, salaries, contract amounts, amounts payable pursuant to the CannTrust Capital Appreciation Plan (whether accrued prior to, on or after the Initial Filing Date), employee and pension benefits, vacation pay and expenses (including, without limitation, in respect of expenses charged by employees to corporate credit cards) payable on or after the Initial Filing Date to employees or contractors, 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 Applicants, or retained by employees or officers of the Applicants that the Applicants have agreed to reimburse, in respect of these proceedings, at their standard rates and charges; and

(c) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Applicants prior to the Initial Filing Date by third party suppliers if in the opinion of the Applicants the supplier is critical to the Business, ongoing operations of the Applicants, or preservation of the Property and the payment is required to ensure ongoing supply.

11. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the

Applicants in carrying on the Business in the ordinary course after the Initial Filing Date, 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), maintenance and security services;

(b) expenses required to ensure compliance with any governmental or regulatory rules, orders or directions; and

(c) payment for goods or services actually supplied to the Applicants following the Initial Filing Date.

12. **THIS COURT ORDERS** that the Applicants 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 (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes and all federal excise taxes and duties (collectively, "**Sales & Excise Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales & Excise Taxes are accrued or collected after the Initial Filing Date, or where such Sales & Excise Taxes were accrued or collected prior to the Initial Filing Date but not required to be remitted until on or after the Initial Filing Date; 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 Applicants.

13. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants 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 negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the Initial Filing Date twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears), or, at the election of the applicable Applicant, at such intervals as such Rent is usually paid pursuant to the applicable lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the Initial Filing Date shall also be paid.

14. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants 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 Applicants to any of their creditors as of the Initial Filing Date; (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

15. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their businesses or operations, and to dispose of redundant or non-material assets not exceeding $500,000 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 it deems appropriate; and

(c) pursue all avenues of refinancing or selling their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

16. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' 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 Applicants' 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 Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim 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 the Applicants' claims to the fixtures in dispute.

17. **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 show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants 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 Applicants 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 APPLICANTS OR THE PROPERTY

18. **THIS COURT ORDERS** that from the Initial Filing Date until and including July 5, 2020, 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 Applicants or the Monitor, or affecting the Business or the Property (including, for greater certainty, any process or steps or other rights and remedies under or relating to any class action proceeding against any of the Applicants or in respect of the Property), except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

19. **THIS COURT ORDERS** that during the Stay Period, none of the Pending Litigation (as defined in the Guyatt Affidavit) or any Proceeding in relation thereto shall be commenced, continued or take place against or in respect of any Person named as a defendant or respondent in any of the Pending Litigation (such Persons, the "**Other Defendants**"), except with leave of this Court, and any and all such Proceedings currently underway or directed to take place against or in respect of any of the Other Defendants, or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

20. **THIS COURT ORDERS** that, to the extent any prescription, time or limitation period relating to any Proceeding by, against or in respect of the Applicants or any of the Other Defendants that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended by a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

21. **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 Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any

business which the Applicants 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.

22. **THIS COURT ORDERS** that, during the Stay Period, all rights and remedies of any Person against or in respect of Cannabis Coffee and Tea Pod Company Ltd., Cannatrek Ltd., Elmcliffe Investments [No. 2] Inc. and O Cannabis We Stand on Guard For Thee Corporation (each, an "**Affected Party**", and collectively, the "**Affected Parties**") arising out of, relating to, or triggered by the insolvency of any of the Applicants, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings (collectively, the "**Cross-Default Matters**"), are hereby stayed and suspended except with the written consent of the relevant Applicants, the relevant Affected Party and the Monitor, or leave of this Court, and the operation of any provision of any agreement or other arrangement between any Person and any of the Affected Parties whether written or oral that purports to accelerate, terminate, cancel, suspend or modify such agreement or arrangement or create a right to purchase, a right of first refusal or a lien with respect to any property of an Affected Party as a result of any of the Cross-Default Matters is hereby stayed and restrained pending further order of this Court.

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

24. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants 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 the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of

such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their 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 Initial Filing Date are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

25. **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 Initial Filing Date, nor shall any Person be under any obligation on or after the Initial Filing Date to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

26. **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 Applicants with respect to any claim against the directors or officers that arose before the Initial Filing Date and that relates to any obligations of the Applicants 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 Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

28. **THIS COURT ORDERS** that the current and future directors and officers of the Applicants 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 $3.55 million, as security for the indemnity provided in paragraph 27 of this Order. The Directors' Charge shall have the priority set out in paragraphs 57 and 59 herein.

29. 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 Applicants' 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 27 of this Order.

APPOINTMENT OF MONITOR

30. **THIS COURT ORDERS** that EYI is, as of the Initial Filing Date, appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants 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.

31. **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 Applicants' receipts and disbursements;

(b) review and approve Intercompany Advances (as defined below);

(c) 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;

(d) advise the Applicants in the preparation of the Applicants' cash flow statements, which information shall be reviewed with the Monitor;

(e) advise the Applicants in its development of the Plan and any amendments to the Plan;

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' meetings for voting on the Plan;

(g) assist the Applicants, to the extent required by the Applicants, in connection with any sale and investment solicitation process conducted by the Applicants;

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

(i) 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; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

32. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

33. **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 (i) 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**"), or (ii) any of the Property, the administration and control of which is subject to the provisions of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including without limitation, the *Cannabis Act* (Canada), the *Cannabis Regulations* (Canada) the *Controlled Drugs and Substances Act* (Canada), the *Excise Tax Act* (Canada), the *Cannabis Control Act* (Ontario), or other such applicable federal or provincial legislation ("**Cannabis Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation or Cannabis 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 or the Cannabis Legislation, unless it is actually in possession.

34. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor 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 Applicants 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 Applicants may agree.

35. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order or the Initial Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order or the Initial Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

APPROVAL OF CHIEF RESTRUCTURING OFFICER ENGAGEMENT

36. **THIS COURT ORDERS** that the agreement dated as of March 27, 2020 pursuant to which the Applicants have engaged FTI Consulting Canada Inc. ("**FTI**") to act as Chief

Restructuring Officer ("**CRO**") and provide certain financial advisory and consulting services to the Applicants, a copy of which is attached as Exhibit "G" to the Guyatt Affidavit (the "**CRO Engagement Letter**"), the execution of the CRO Engagement Letter by the Applicants, *nunc pro tunc*, and the appointment of the CRO pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby.

37. **THIS COURT ORDERS** that the CRO shall not be or be deemed to be a director, *de facto* director or employee of the Applicants.

38. **THIS COURT ORDERS** that the CRO shall not, as a result of the performance of its obligations and duties in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession of (i) 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 the Environmental Legislation, (ii) any of the Property, the administration and control of which is subject to the provisions of the Cannabis Legislation; however, if the CRO is nevertheless later found to be in Possession of any Property, then the CRO shall be entitled to the benefits and protections in relation to the Applicants and such Property as are provided to a monitor under Section 11.8(3) of the CCAA, provided however that nothing herein shall exempt the CRO from any duty to report or make disclosure imposed by applicable Environmental Legislation or Cannabis Legislation.

39. **THIS COURT ORDERS** that the CRO shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the Initial Filing Date except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of the CRO.

40. **THIS COURT ORDERS** that 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, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the CRO or with leave of this Court on notice to the Applicant, the Monitor and the CRO. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor and the CRO at least seven (7) days prior to the return date of any such motion for leave.

41. **THIS COURT ORDERS** that the obligations of the Applicant to the CRO pursuant to the CRO Engagement Letter shall be treated as unaffected and may not be compromised in any Plan or proposal filed under *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of the Applicants.

APPROVAL OF FINANCIAL ADVISOR ENGAGEMENT

42. **THIS COURT ORDERS** that the agreement dated as of April 3, 2020 pursuant to which the Applicants have engaged Greenhill & Co. Canada Ltd. (the "**Financial Advisor**") to assist the Applicants in a review of strategic alternatives, a copy of which is attached as Exhibit "D" to the Second Guyatt Affidavit (the "**Financial Advisor Engagement Letter**"), the execution of the Financial Advisor Engagement Letter by the Applicants, *nunc pro tunc*, and the appointment of the Financial Advisor pursuant to the terms thereof is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby.

43. **THIS COURT ORDERS** that the Financial Advisor shall not be or be deemed to be a director, *de facto* director or employee of the Applicants.

44. **THIS COURT ORDERS** that the Financial Advisor shall not 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 wilful misconduct on the part of the Financial Advisor.

45. **THIS COURT ORDERS** that 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 Financial Advisor, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the Financial Advisor or with leave of this Court on notice to the Applicant, the Monitor and the Financial Advisor. Notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor and the Financial Advisor at least seven (7) days prior to the return date of any such motion for leave.

46. **THIS COURT ORDERS** that the obligations of the Applicant to the Financial Advisor pursuant to the Financial Advisor Engagement Letter shall be treated as unaffected and may not be compromised in any Plan or proposal filed under the BIA in respect of the Applicants.

ADMINISTRATION CHARGE

47. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO, the Financial Advisor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement Letter, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO, the Financial Advisor and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, the CRO and counsel to the Applicants, retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

48. **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.

49. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO and counsel to the Applicants 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 $1.4 million, as security for their professional fees and disbursements incurred at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, both before and after the Initial Filing Date in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 57 and 59 hereof.

TRANSACTION FEE CHARGE

50. THIS COURT ORDERS that the Financial Advisor shall be entitled to the benefit of and is hereby granted a charge (the "**Transaction Fee Charge**") on the Property, as security for the Transaction Fee (as defined the Financial Advisor Engagement Letter). The Transaction Fee Charge shall have the priority set out in paragraphs 57 and 59 hereof.

INTERCOMPANY FINANCING

51. **THIS COURT ORDERS** that CannTrust Holdings Inc. (the "**Intercompany Lender**") is authorized to loan to each of CannTrust Inc., Elmcliffe Investments Inc. and CTI Holdings (Osoyoos) Inc. (each, an "**Intercompany Borrower**"), and each Intercompany Borrower is authorized to borrow, repay and re-borrow, such amounts from time to time as the Intercompany Borrower, with the approval of the Monitor, considers necessary or desirable on a revolving basis to fund its ongoing expenditures and to pay such other amounts as are permitted by the terms of this Order (the "**Intercompany Advances**"), on terms consistent with existing arrangements or past practice or otherwise approved by the Monitor.

52. **THIS COURT ORDERS** that the Intercompany Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Intercompany Charge**") on all of the Property of each Intercompany Borrower, as security for the Intercompany Advances made to such Intercompany Borrower, which Intercompany Charge shall not secure an obligation that exists before the Initial Filing Date. The Intercompany Charge shall have the priority set out in paragraphs 57 and 59 hereof.

53. **THIS COURT ORDERS AND DECLARES** that the Intercompany Lender shall be treated as unaffected and may not be compromised in any Plan or any proposal filed under the BIA in respect of the Applicants, with respect to any Intercompany Advances made on or after the Initial Filing Date.

KERP AND KERP CHARGE

54. **THIS COURT ORDERS** that the Key Employee Retention Plan (the "**KERP**"), as described and defined in the Second Guyatt Affidavit, for the benefit of the Key Employees (as defined in the Second Guyatt Affidavit) is hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms and conditions of the KERP.

55. **THIS COURT ORDERS** that the Key Employees shall be entitled to the benefit of and are hereby granted a charge (the "**KERP Charge**") on the Property, which charge shall not exceed an aggregate amount of $1.4 million to secure amounts owing to the Key Employees under the KERP. The KERP Charge shall have the priority set out in paragraphs 57 and 59 hereof.

56. **THIS COURT ORDERS** that the unredacted version of the KERP, a copy of which is attached as Confidential Exhibit "B" to the Second Guyatt Affidavit, shall be and is hereby sealed, kept confidential, and shall not form part of the public record unless otherwise ordered by the Court.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

57. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge, the KERP Charge, the Transaction Fee Charge and the Intercompany Charge (the "**Charges**"), as among them with respect to any Property to which they apply, shall be as follows:

First – Administration Charge (to the maximum amount of $1.4 million);

Second – Directors' Charge (to the maximum amount of $3.55 million);

Third – KERP Charge (to the maximum amount of $1.4 million);

Fourth – Transaction Fee Charge;

Fifth – Intercompany Charge.

58. **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.

59. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

60. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants

also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

61. **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 order(s) issued pursuant to the BIA, or any bankruptcy 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 Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is 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 creation of the Charges; and

(c) the payments made by the Applicants pursuant to this Order 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.

62. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

63. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses in relation to any filings, disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities**

Filings") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada or the United States, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario) and comparable statutes enacted by other provinces of Canada, the *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States) and comparable statutes enacted by individual states of the United States, the TSX Company Manual and other rules, regulations and policies of the Toronto Stock Exchange, and the NYSE Listed Company Manual and other rules, regulations and policies of the New York Stock Exchange (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Provisions.

64. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, the Monitor (and its directors, officers, employees and representatives), nor the CRO shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions.

SERVICE AND NOTICE

65. **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, or cause to be sent, in the prescribed manner or by electronic message to the e-mail address as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants 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.

66. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at https://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 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: http://www.ey.com/ca/canntrust.

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

GENERAL

68. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

69. **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 the Applicants, the Business or the Property.

70. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory body or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding,

or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

71. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that CannTrust Holdings Inc. is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in the United States and any other jurisdiction outside Canada.

72. **THIS COURT ORDERS** that any interested party (including the Applicants 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.

73. **THIS COURT ORDERS** 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.

Hainey J.

SUPERIOR COURT OF JUSTICE
ENTERED

APR 1 5 2020 JP

COUR SUPÉRIEURE DE JUSTICE
ENTRÉ

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

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

Proceeding commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicants

DOC#: 19528138

This is **Exhibit "B"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
2nd day of June, 2021

A Commissioner for taking affidavits

Court File No. CV-20-00647824-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	FRIDAY, THE 30TH
	)	
MR. JUSTICE HAINEY	)	DAY OF APRIL, 2021

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

DIP APPROVAL ORDER

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, among other things, authorizing and empowering the Applicants to obtain and borrow under a credit facility and granting a charge over the Applicants' property in respect of those borrowings, was heard this day by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the affidavit of Greg Guyatt sworn April 19, 2021 (the "**Guyatt Affidavit**"), the Ninth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated April 22, 2021 (the "**Ninth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the counsel slip, no other party appearing although duly served as appears from the affidavit of service, filed:

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Amended and Restated Initial Order of the Honourable Mr. Justice Hainey dated April 9, 2020 (the "**Amended and Restated Initial Order**").

DIP FINANCING

3. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Cortland Credit Lending Corporation, as administrative agent for the lenders (the "**DIP Lender**"), in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of $22,500,000 unless permitted by further Order of this Court.

4. **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 Applicants and the DIP Lender dated as of April 13, 2021 (the "**Term Sheet**"), filed.

5. **THIS COURT ORDERS** that the Applicants 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 Documents**"), as are contemplated by the Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

6. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge to the maximum principal amount of $22,500,000 (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. The DIP Lender's Charge shall have the priority set out in paragraphs 57 and 59 of the Amended and Restated Initial Order (as amended by this Order).

7. **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 Documents;

(b) upon the occurrence of an event of default under the Term Sheet, the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ten (10) days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Term Sheet, the Definitive Documents or 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 the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; 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 Applicants or the Property.

8. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Term Sheet or the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

9. **THIS COURT ORDERS** that, with effect from and after the date of this Order, paragraphs 57-62 of Amended and Restated Initial Order shall have no further force and effect and that, from and after the date of this Order, they are replaced with the following paragraphs. For greater certainty, nothing in this Order shall charge or affect the Excluded Property (as such term is defined in the Term Sheet):

> 57. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge, the KERP Charge, the DIP Lender's Charge, the Transaction Fee Charge and the Intercompany Charge (the "**Charges**"), as among them with respect to any Property to which they apply, shall be as follows:
>
> **First** – Administration Charge (to the maximum amount of $1.4 million);
>
> **Second** – Directors' Charge (to the maximum amount of $3.55 million);
>
> **Third** – KERP Charge (to the maximum amount of $1.4 million);
>
> **Fourth** – DIP Lender's Charge (to the maximum principal amount of $22,500,000);
>
> **Fifth** – Transaction Fee Charge; and
>
> **Sixth** – Intercompany Charge.
>
> 58. **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.
>
> 59. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except that the DIP Lender's

Charge, the Transaction Fee Charge and the Intercompany Charge will not have priority over the security interest of Bank of Montreal in the guaranteed investment certificate in the principal amount of $250,000 pledged in its favour by the Applicants.

60. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the other Charges, or further Order of this Court.

61. **THIS COURT ORDERS** that the Charges, the Term Sheet and the Definitive Documents 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 order(s) issued pursuant to BIA, or any bankruptcy 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 Applicants, 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 Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is 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 creation of the Charges or the execution, delivery or performance of the Term Sheet or the Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, the Term Sheet or the Definitive 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.

62. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

COURT ORDERED PROTECTIONS

10. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the Term Sheet, the Definitive Documents, or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the Term Sheet or the Definitive Documents or under any of the documentation delivered hereto or thereto, with respect to any advances made prior to the DIP Lender being given notice of the Variation and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made.

11. **THIS COURT ORDERS AND DECLARES** that any motion for a Variation by this Court of the provisions of this Order in respect of the Term Sheet, the Definitive Documents, or the DIP Lender's Charge may only be brought by a party that has not been served with notice of the within motion and any such motion must be brought on not less than five (5) business days' notice to the Applicants, the Monitor, the DIP Lender and 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.

DUTIES OF THE MONITOR

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

(a) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel, on a periodic basis to be agreed on with the DIP Lender, of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender; and

(b) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis as agreed to by the DIP Lender.

13. **THIS COURT ORDERS** that that the Monitor shall provide the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by the DIP Lender 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 Applicants is confidential, the Monitor shall not provide such information to the DIP Lender unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

SEALING ORDER

14. **THIS COURT ORDERS** that Confidential Exhibit "**C**" to the Guyatt Affidavit, which contains an unredacted version of the Term Sheet, and the Responding Factum of Litwin Non-Settling Defendants dated April 29, 2021 shall be sealed, kept confidential and shall not form part of the public record unless otherwise ordered by the Court.

STAY EXTENSION

15. **THIS COURT ORDERS** that the Stay Period (as defined in the Amended and Restated Initial Order) be and is hereby extended until and including June 30, 2021.

GENERAL

16. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order or for advise and directions

concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

17. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all persons against whom it may be enforceable.

18. **THIS COURT ORDERS** that this Order is effective from the date that it is made, and is enforceable without any need for entry and filing.

19. **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 Applicants and 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

20. **THIS COURT ORDERS** that each of the Applicants 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.

Hainey J.

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

DIP APPROVAL ORDER

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Lawyers for the Applicants

This is **Exhibit "C"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
2nd day of June, 2021

A Commissioner for taking affidavits

SUMMARY OF TERMS AND CONDITIONS

CREDIT FACILITY FOR CANNTRUST HOLDINGS INC., CANNTRUST INC., ELMCLIFFE INVESTMENTS INC., AND CTI HOLDINGS (OSOYOOS) INC. PROVIDED BY CORTLAND CREDIT LENDING CORPORATION

April 13, 2021

The Agent, for and on behalf of the Lenders (as such terms are defined below), hereby commits to provide the entire amount of the Credit Facility to the Borrowers upon the terms and subject to the conditions set forth in this binding term sheet (this "**Term Sheet**"). Capitalized terms used herein without express definition will have the same meanings as are assigned to them in Schedule A. Any word defined in or importing the singular number has the same meaning when used in the plural number, and *vice versa*.

Agent	CORTLAND CREDIT LENDING CORPORATION, in its capacity as administrative agent for Lenders (in such capacity, "**Agent**").
Lender(s)	Cortland Credit Lending Corporation ("**Cortland**") or its affiliates and/or other lenders to be designated from time to time by the Agent without the prior written consent of the Borrowers (each a "**Lender**").
Borrower(s)	CannTrust Holdings Inc., CannTrust Inc., Elmcliffe Investments Inc., and CTI Holdings (Osoyoos) Inc. (collectively, the "**Borrowers**" and each, a "**Borrower**"). Unless otherwise stated, all obligations of the Borrowers are joint and several.
Guarantors:	Elmcliffe Investments (No. 2) Inc. and any other wholly-owned subsidiaries of any Borrower and/or Guarantor.
Currency	Unless otherwise noted, the currency of the Credit Facility shall be Canadian Dollars ("**CAD**").
Credit Facility	A Debtor-In-Possession and CCAA Exit Credit Facility (the "**Credit Facility**" or the "**Facility**") with a maximum limit of $22,500,000 ("**Facility Limit**"). The Credit Facility shall consist of a revolving loan whereby repayments and additional drawdowns are permitted from time to time, provided that each drawdown of the Credit Facility is in a minimum amount of $REDACTED and $REDACTED increments thereof provided that at no time shall amounts owing under the Credit Facility exceed the Borrowing Limit.
Use of Proceeds	Funds advanced under the Credit Facility shall be used to fund the Borrowers' working capital needs during the CCAA Proceedings and, upon satisfaction of the conditions set forth below beside the heading "Conditions Precedent to Extension of Credit Facility After CCAA Exit", after exit from the CCAA Proceedings upon implementation of a plan of arrangement under the CCAA by the Borrowers (the "**CCAA Plan**").
Interest Rate	Amounts drawn and outstanding under the Credit Facility will bear interest at a rate per annum equal to the greater of REDACTED. Interest on the principal amount outstanding under the Credit Facility will be due and payable in cash on the first Business Day of each month covering interest accrued over the past calendar month. Unless otherwise provided for herein, interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes

of the *Interest Act* (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus calculated multiplied by 366 and divided by 365. Any amount of principal, interest commission, discount, or any other nature remaining unpaid at maturity, shall bear interest at the rate provided for herein, being understood that the said interest rate on arrears shall not exceed the maximum rate provided by law. Interest on arrears shall be compounded monthly and payable on demand.

Fees

Financing Review Fee
A Financing Review Fee equal to REDACTED% of the Facility Limit which is fully earned by the Agent and payable by the Borrowers to the Agent upon issuance of the DIP Order (as defined below).

Commitment Fee
A Commitment Fee equal to REDACTED% of the Facility Limit will be payable by the Borrowers to the Agent upon issuance of the DIP Order and the full execution of all required Credit Documents.

Break Fee
In the event that after the DIP Order has become a final order, either a material misrepresentation had been made by any Borrower, or the Borrowers do not allow for the closing of the Credit Facility by May 15, 2021, or such other date as may be mutually agreed upon, despite the Agent and the Lenders being prepared to offer the Credit Facility to the Borrowers, the Borrowers shall pay a Break Fee to the Agent in an amount equal to REDACTED% of the Facility Limit.

Utilization Fee
Any Unutilized Portion of the Credit Facility will bear a Utilization Fee at a rate of REDACTED% per annum ("**Utilization Fee Rate**"), calculated daily using the calculations provided hereunder ("**Utilization Fee**"). The Unutilized Portion shall be calculated as the Facility Limit less the advanced and outstanding amount under the Credit Facility ("**Unutilized Portion**"). The Utilization Fee shall be calculated daily as (i) the Unutilized Portion at the end of each Business Day, and in the case of a non-Business Day, the Unutilized Portion as of the immediately preceding Business Day, multiplied by (ii) the Utilization Fee Rate divided by 365. The Utilization Fee will be due and payable in cash on the last day of each month.

Expense Deposit

Borrowers shall provide a $100,000 deposit to the Agent to cover legal and other transaction expenses (field exam, inventory and real estate appraisals, etc.) and upon finalization of all transaction expenses, such deposit will be refunded to the Borrowers after subtracting all transaction and other due diligence costs incurred by the Agent from the initial $100,000 deposit amount. Agent acknowledges that such expense deposit was received in full on March 8, 2021.

Out-of-Pocket Expenses

All reasonable and documented out of pocket fees and expenses, including, without limitation, legal fees and third-party equipment appraisal, audit, monitoring and valuation fees, travel, quarterly field exam fees and all other out-of-pocket expenses associated with the Credit Facility are to be paid by the Borrowers on demand. If such reasonable and documented out-of-pocket expenses are billed to the Agent for any reason, the Borrowers shall reimburse the Agent within three (3) Business Days of the Agent providing the Borrowers a summary and evidence of the out-of-pocket expenses incurred.

Term of Credit Facility; Maturity Date

The term of the Credit Facility will be the earlier of (such earlier date, the "**Maturity Date**"): (i) 12 months from the initial advance under the Credit Facility (the "**Facility Term**"), which may be extended for an additional 12-month term upon the request of the Borrowers and the Agent and the Lenders agreeing to such extended term in their sole discretion; and (ii) any other Termination Date. If the Credit Facility is terminated for any reason without the consent of the Agent within the Facility Term, a termination fee equal to REDACTED% of the Facility Limit ("**Termination Fee**") shall be payable by the Borrowers to the Agent on the Termination Date.

The Agent shall have the right to terminate the Credit Facility upon the occurrence of an Event of Default that is continuing and has not been waived.

The Agent shall have the immediate right to terminate the Credit Facility upon the giving of notice by the Agent to the Borrowers if an Event of Default has occurred and is continuing beyond a cure period or if the Credit Facility shall become, in whole or in part, illegal or in contravention of any Applicable Law or policy or request of any regulatory authority, unless such illegality or contravention resulted from the gross negligence or wilful misconduct of, or an illegal act by the Agent or a Lender.

The Agent shall have the right to terminate the Credit Facility upon 120 days' notice to the Borrowers if adverse market conditions are negatively affecting the liquidity of the Lenders; provided that, (i) the Termination Fee shall not be payable in such circumstances; and (ii) the repayment of the outstanding advances under the Credit Facility shall not be due and payable until 120 days after receipt of such notice by the Borrowers, unless otherwise agreed to in writing by the Borrowers.

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

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

i. The Maturity Date;
ii. The date on which any Event of Default occurs or is discovered to have occurred in the past and remains uncured beyond the cure or grace period provided herein and the Agent has terminated the Credit Facility by notice to the Borrowers (as provided above);
iii. Unless waived or otherwise consented to by the Agent, the date on which any of the Obligors undertake a liquidity, reorganization event, or Change of Control, other than in connection with implementation of the CCAA Plan or an internal reorganization in which the Agent retains the Security over the resulting entities from such reorganization; and
iv. Any other date which the Credit Facility becomes due and payable pursuant to any other terms within the Credit Documents.

Collateral

The Credit Facility shall be secured by a first ranking super-priority security interest in, and during the pendency of the CCAA Proceedings, a first-ranking super-priority DIP financing charge (the "**DIP Charge**") on (i) the Real Estate Collateral and (ii) all other present and after acquired property (other than Excluded Property) of the Borrowers ("**Other Collateral**" and together with the Real Estate Collateral, the "**Collateral**"), subject in each case to Permitted Encumbrances.

The security interest in the Collateral shall only be subordinate to the Administration Charge, the Directors' Charge, and the KERP Charge (all as defined in the Amended and Restated Initial Order) and only up to the amounts set out in paragraph 57 of the Amended and Restated Initial Order for the aforementioned charges. Upon termination of the CCAA Proceedings, security shall also be first-ranking on the Other Collateral (subject to Permitted Encumbrances).

Excluded Property

All of the following shall constitute "**Excluded Property**" for purposes of the Credit Documents and DIP Charge:

i. cash in the amount of $50,000,000 deposited into a separate account during the CCAA Proceedings and to be paid into a trust to be established for purposes of funding settlement and implementation of the CCAA Plan;

ii. cash in the amount of $2,500,000 deposited into a separate account and used for purposes of settling trade creditors and employment claims against the Borrowers under the CCAA Plan;

iii. the "Assigned Claims" as defined and described in the restructuring supporting agreement dated January 19, 2021, between the Borrowers and certain representative plaintiffs in various class action proceedings commenced against the Borrowers;

iv. any residual beneficial interest that the Borrowers have in CannTrust Directors and Officers Trust, a trust established by the Borrowers for purposes of settling potential director and officer liabilities (provided that, for greater certainty, if the Borrowers receive any distribution from the trust upon its termination, the proceeds of the distribution will become Collateral); and

v. any reserve accounts maintained by the Borrowers (or any one of them), and all funds on deposit therein, in connection with the tolling agreement made as of January 31, 2018 among Balfour Energy Corp., CannTrust Inc. and Elmcliffe Investments Inc., provided that no Borrowers or any Guarantor will deposit any funds into such reserve accounts covered by this subsection (vi) while any amount is outstanding under the Credit Facility except for pre-scheduled payments set forth in a schedule provided by the Borrowers to the Agent.

Mandatory Repayment from Disposition of Real Estate Collateral

If a Borrower sells any of the Real Estate Collateral (with the prior written consent of the Agent and on terms satisfactory to the Agent), the Agent shall receive net sales proceeds from such sale (net only of usual closing adjustments), up to the total amount of the Borrowers' indebtedness to the Agent and the Lenders under the Credit Facility; provided that, in the case of the Osoyoos Property, (A) such repayment need only be in an amount equal to 55% of the appraised value of the Osoyoos Property from the net proceeds arising from the disposition of the Osoyoos Property; and (B) the balance of such net proceeds (if any) are deposited into a deposit account of the Borrowers subject to the Security. For greater certainty, any such repayment by the Borrowers may be re-borrowed and shall not cause a permanent reduction of the availability and commitments under the Credit Facility.

Concentration

Concentration of Approved Debtors will be determined by the Agent through due diligence and from time to time thereafter.

Security Documentation

As security for the indebtedness and all obligations of the Borrowers and any Guarantors to the Agent under or in connection with the Credit Documents, the Borrowers and the Guarantors shall provide to the Agent collateral mortgages in favour of the Agent (in the case of Borrowers or Guarantors which possess any Real Estate Collateral) (collectively, the "**Mortgages**") and a general security agreement ("**GSA**") in favour of the Agent, including all documentation related to the GSA as may be required to secure and maintain the Agent's first priority interest over the Collateral (collectively, "**Security**"), all of which shall be in a form and content acceptable to the Agent, acting reasonably in accordance with customary market practice.

Each Obligor will use its commercially reasonable efforts to obtain all necessary consents which may be required to pledge all shares and/or equity interests such Obligor owns in any non-wholly owned subsidiary in favour of the Agent. Each Obligor undertakes to provide all evidence that it has used its commercially reasonable efforts to obtain such consents from any Person required to grant such consent.

Blocked Account Control Agreements

Other than all accounts that relate to Excluded Property, the Borrowers shall maintain springing blocks in favour of the Agent over all bank accounts where a Borrower holds any funds (including all proceeds from Debtor Invoices and the proceeds of any disposition of any other Collateral), which will be subject to a blocked account control agreement in favour of the Agent (collectively, the "**Blocked Account Agreements**"), but which the Borrowers will retain exclusive control over the funds on deposit in such accounts until the Agent and the Lenders takes any enforcement action in accordance with this Term Sheet.

In the event any Borrower's Debtor Invoices are included in the Borrowing Base, all proceeds of such accounts receivable must be deposited into a deposit account which Cortland maintains exclusive control over through a full block on such account where such balances automatically sweep daily to the Agent's accounts and will be applied as follows: (i) first, as a repayment under the Credit Facility; and (ii) second, any excess funds (if any) shall have transferred to a bank account of the Borrowers (or as the Borrowers may otherwise direct). Each Obligor will use its commercially reasonable efforts to set up such cash management arrangements with its depositary bank and the Agent in order to implement the foregoing.

Conditions Precedent to the Closing Date

The obligation of the Agent and the Lenders to make the Credit Facility available to the Borrowers and to fund the initial advance under the Credit Facility are subject to and conditional upon satisfaction (or waiver by the Agent) of the following conditions precedent:

1. Order of the Court approving the Credit Facility and related transactions, granting the DIP Charge and providing for the priority of the security in the Collateral in form and substance satisfactory to the Agent and its counsel (the "**DIP Order**").

2. Confirmation that no amount is or will be owing pursuant to the Transaction Fee Charge as defined in the Amended and Restated Initial Order at the time of granting of the DIP Order.

3. Written confirmation from Greenhill & Co. Canada, Ltd. that no amount will be owing to them from the Borrowers as a result of the closing of the Agent's Credit Facility.

4. Receipt by the Agent of a certificate for the business and property insurance maintained by the Borrowers naming the Agent and the Lenders as mortgagees and loss payees.

5. Receipt by the Agent of certificate for the commercial general liability insurance maintained by the Borrowers, naming the Agent and the Lenders as additional insureds.

6. Each of the representations and warranties made by the Borrowers in this Term Sheet and each Credit Document shall be true and correct in all material respects.

7. Receipt of all information necessary in order for the Agent to comply with legal and internal requirements in respect of money laundering legislations,

proceeds of crime legislation, and “know your customer” requirements (as applicable).

8. Payment by the Borrowers to the Agent of any reasonable and documented expenses incurred by the Agent or the Lenders in connection with the Credit Facility (including the negotiation, ongoing monitoring and any costs of enforcement).

9. No Material Adverse Change since the date of the latest financial statements provided to the Agent.

10. Each Borrower shall have granted written permission to the Agent and the Lenders to contact each of such Borrower’s end customers and its own suppliers for the purposes of verification, other than, in each case, individual medicinal customers and subject to compliance with privacy laws and confidentiality obligations of the Borrowers.

11. Receipt of real estate appraisals on the Real Estate Collateral addressed to the Agent (or with a transmittal letter permitting the Agent and the Lenders to rely on such appraisals) acceptable to the Agent where such appraised value is based on alternative best use. The Agent acknowledges and agrees that the real estate appraisals completed by Cushman & Wakefield, Inc. are acceptable to satisfy this condition precedent.

12. Receipt of Phase 1 environmental reports on the Real Estate Collateral acceptable to the Agent, including a Phase II if required, addressed to the Agent and the Lenders (or with a transmittal letter permitting the Agent and the Lenders to rely on such report(s)).

13. Review of the Borrowers’ forecast financial statements for fiscal year 2021 and most recent 13- week cash flow forecast as provided from time to time by the Borrowers to the Agent, which is satisfactory to the Agent.

14. Background checks on the senior management of the Borrowers satisfactory to the Agent.

Conditions Precedent to each Subsequent Advance under the Credit Facility

The following conditions precedent shall be satisfied, or waived by the Agent, prior to each subsequent advance under the Credit Facility:

1. delivery to the Agent of a drawdown request with a Borrowing Base, duly executed by the Borrowers;

2. each of the representations and warranties made by the Borrowers in this Term Sheet and each Credit Document shall be true and correct in all material respects as of the date made or deemed made (other than to the extent any representation and warranty relate specifically to an earlier date);

3. the DIP Order must not be vacated, stayed, amended, or otherwise caused to become ineffective without the prior written consent of the Agent;

4. Confirmation that no amount is or will be owing pursuant to the Transaction Fee Charge as defined in the Amended and Restated Initial Order while any amounts are outstanding pursuant to the Credit Facility; and

5. no Event of Default shall have occurred and be continuing, nor will any Event of Default occur as a result of the requested advance.

Conditions Precedent to Extension of Credit Facility After CCAA Exit

The following conditions precedent shall be satisfied, or waived by the Agent, prior to the continuation of the availability of the Credit Facility by the Agent and the Lenders to the Borrowers upon the Borrowers exit from the CCAA Proceedings:

1. the Agent being satisfied with the Borrowers' business plan and forecast;
2. an order of the Court sanctioning the CCAA Plan;
3. notwithstanding anything set out in Schedule "B", the CCAA Plan shall have been implemented and become effective by no later than October 31, 2021;
4. the Agent is satisfied (acting reasonably) with the terms of the CCAA Plan and Order of the Court sanctioning the CCAA Plan;
5. negotiation, execution and delivery of a credit agreement (the "**Credit Agreement**") incorporating terms and conditions which are substantially similar to this Term Sheet and such other terms and conditions to be agreed upon between the Agent and the Borrowers to address the Borrowers' business plan upon exit of the CCAA Proceedings and due diligence by the Agent in respect of the same;
6. Completion of satisfactory cash management arrangements relating to the Collateral, including the Blocked Account Agreements, as required;
7. Completion of Security, including receipt of customary legal opinions, in form and substance satisfactory to the Agent and its counsel;
8. Execution of a satisfactory subordination agreement, priorities agreement, intercreditor agreement, estoppel letters or similar arrangements between the Agent and each of the following prior secured creditors of the Obligors to be determined following the completion of PPSA searches in the Provinces of Alberta and Saskatchewan;
9. if required by the Agent, third party appraisal and/or full review of all Collateral;
10. if required by the Agent, receipt of equipment appraisals covering the Approved Equipment where such appraisal is conducted by an appraiser approved and engaged by Cortland;
11. each of the representations and warranties made by the Borrowers in the Credit Agreement shall be true and correct in all material respects as of the date made or deemed made (other than to the extent any representation and warranty relate specifically to an earlier date); and
12. no Event of Default has occurred and is continuing.

Facility Covenants

So long as the Credit Facility is in effect, and until the obligations of the Borrowers to the Agent and the Lenders under the Credit Facility have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Agent, each Borrower covenants and agrees with the Agent that it:

1. Will pay all sums of money when due under the terms of the Credit Documents.
2. Will immediately advise the Agent of any event which constitutes or which, with notice, lapse of time or both, would constitute an Event of Default.
3. Will file all tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and

provide adequate reserves for the payment of any tax, the payment of which is being contested.

4. Will give the Agent, as applicable, 30 days prior notice in writing of any Change of Control, and unless otherwise expressly waived by the Agent in writing, the Borrowers must repay all amounts outstanding under the Credit Facility prior to, or concurrently with, any Change of Control.

5. Will comply in all material respects with all applicable laws, including all Environmental Laws.

6. Will comply with the Borrowing Limit at all times.

7. Will immediately advise the Agent of any material action requests or material violation notices received concerning it and hold the Agent harmless from and against any losses, costs or expenses which the Agent may suffer or incur for any environment related liabilities existent now or in the future with respect to it except to the extent such losses, costs or expenses have resulted from the gross negligence, bad faith or wilful misconduct of the Agent.

8. Will immediately advise the Agent of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of the Credit Documents.

9. Will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils.

10. Will, at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Agent is permitted to do the following at any time and without notice) permit the Agent or its representatives, from time to time, upon reasonable prior written notice and during normal business hours, i) to visit and inspect a Borrower's premises, properties and assets and examine and obtain copies of such Borrower's records or other information, and ii) to discuss such Borrower's affairs with the auditors of such Borrower (in the presence of such Borrower's representatives as it may designate). Each Borrower hereby authorizes and directs any such third party to provide to the Agent or its representatives all such information, records or documentation reasonably requested by the Agent.

11. Except for Permitted Encumbrances, will not, without the prior written consent of the Agent which will not be unreasonably withheld, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights.

12. Will not, without the prior written consent of the Agent, sell, transfer, convey, lease or otherwise dispose of any of its assets, properties or undertakings (a) to any third party, other than (i) in the ordinary course of business and on arm's-length, commercially reasonable terms; (ii) obsolete or otherwise superfluous tangible assets; (iii) the shares/equity interests of any non-wholly owned subsidiaries of the Borrowers or Guarantors and any minority interests held by the Borrowers or Guarantors, provided that such proceeds of any sale or disposal of shares/equity interests owned by any Borrower or such Guarantor shall be used first to pay down the principal balances outstanding under the Credit Facility; (iv) Osoyoos Property, so long as the net proceeds of such sale are used as follows: (A) an amount equal to REDACTED% of the appraised value of the Osoyoos Property from the net proceeds arising from the disposition of the Osoyoos Property are paid to the Agent to repay outstanding advances under the Credit Facility; and (B) the balance of such net proceeds (if any) are

deposited into a deposit account of the Borrowers subject to the Security; (v) Excluded Property subject to the provision contained in (iii) above; and (vi) any other Property that has a fair market value of $REDACTED or less per calendar year in the aggregate; or (b) to any other Borrower or any Guarantor.

13. Will not, without the prior written consent of the Agent, provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other person, other than (a) to or for another Obligor; (b) the Security; and (c) Permitted Indebtedness.

14. Will not, without giving the Agent, 15 days prior notice in writing and obtaining the Agent' s written consent, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person and it will either: (i) cause any such resulting Person to become a borrower or guarantor, as applicable, hereunder and to grant such security and enter into such agreements as the Agent may require and in the event a Borrower is acquired within the Facility Term, or is the non-surviving party in a merger, or sells all or substantially all of its assets, the Credit Facility will not be automatically terminated and the surviving party must agree to be bound by the Credit Documents; or (ii) the Borrowers shall repay all principal, accrued interest, fees and expenses owing to the Agent pursuant to the Credit Documents in the event the Agent withholds its consent.

15. Will not pay any dividends, other corporate distributions, interest or principal on subordinated debt, other than regularly scheduled principal payments on the promissory note dated March 6, 2017 granted by Elmcliffe Investments Inc. in favour of 1970030 Ontario Inc.

16. Will not make any disbursements or provide any funding to any entity which is not an applicant in the Borrowers' CCAA Proceedings or a Guarantor.

17. Will not acquire or move any Collateral to any jurisdiction outside the Provinces of Ontario or British Columbia or any other jurisdiction where the Agent has perfected its Security over such Collateral without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in favour of the Agent a security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Agent.

18. Will not incur additional indebtedness other than Permitted Indebtedness.

19. Will maintain a minimum Tangible Net Worth of $REDACTED

20. Will maintain a level of actual EBITDA equal to or greater than the EBITDA levels as presented on the Borrowers' Approved Budget Forecast where such actual EBITDA earned (or lost) in any consecutive-three month period must be (i) equal to or greater than REDACTED% of projected EBITDA in such period if projected EBITDA is to be positive, or (ii) greater than or equal to projected EBITDA in such period if EBITDA is projected to be negative, provided that a breach of this covenant will not occur if any absolute variance from actual EBITDA to projected EBITDA is less than $REDACTED for such three-month period.

21. Shall notify the Agent within one (1) Business Day of any Account Debtor notifying such Borrower that they are contesting any invoice amount greater than an amount to be determined.

22. Will at all times allow the Agent to have view access over all bank accounts maintained by each Borrower.

23. Will fully cooperate with each party conducting any field exam or due diligence on behalf of the Agent and will permit and reimburse the Agent for all costs associated with any appraisals at a minimum of once per calendar year.

24. Will provide information upon request by the Agent as it relates to any vendor number or similar identification of such obligor by its end customers and/or suppliers.

Reporting Covenants

So long as the Credit Facility is in effect, and until the obligations of the Borrowers to the Agent and the Lenders under the Credit Facility have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Agent, each Borrower covenants and agrees that it will provide or cause to be provided to the Agent, all of the following, in form and detail satisfactory to the Agent:

(i) Quarterly, within 30 days after each calendar quarter, financial reporting from each of the Borrowers on both a consolidated and unconsolidated basis

(ii) Monthly, within 30 days after the end of each calendar month;

   i. internal management prepared financial statements of the Obligors as at the end of such calendar month on a consolidated and unconsolidated basis;

   ii. a trial balance of the Obligors as at the end of such calendar month;

(iii) Monthly, within 10 days after the end of each calendar month, proof of all payments required to be made on all taxes owing by the Obligors;

(iv) Monthly, within 2 Business Days after the end of each calendar month;

   i. A Borrowing Base as at the last day of such calendar month

   ii. Bank statements of the Obligors

   iii. a cash reconciliation, to the extent not provided in any Borrowing Base, reconciling all purchases, repayments, chargebacks, write-offs and any other transactions covering the prior calendar month

(v) Weekly, and specifically on the Monday of each week, for the period covering the immediately prior week ending on Friday of such prior week;

   i. a Borrowing Base as at the Friday of the immediately prior week;

   ii. a cash reconciliation, to the extent not provided in any Borrowing Base, reconciling all purchases, repayments, chargebacks, write-offs, credit memos and any other transactions covering the prior week.

   iii. A 13-week cash forecast of the Borrowers covering the following 13-weeks from the time of reporting such forecast.

(vi) As requested, copies of all original final purchase orders, invoices, supply agreements etc.;

(vii) Other items as the Agent may reasonably request from time to time.

Representations and Warranties

Each Borrower represents and warrants (subject to obtaining the DIP Order, where applicable) to the Agent and the Lenders, upon which the Agent and the Lenders rely on in entering this Term Sheet that:

1. each Borrower is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered

to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary;

2. each Borrower has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business and (ii) to enter into and perform its obligations under this Term Sheet and the other Credit Documents to which it is a party;

3. the execution and delivery by each Borrower of this Term Sheet and the other Credit Documents to which it is a party and the performance by each Borrower of its respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any governmental authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the DIP Charge;

4. this Term Sheet and each of the other Credit Documents to which it is a party has been duly executed and delivered by each Borrower and constitutes a legal, valid and binding obligation of each Borrower, enforceable against it in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally and (ii) the discretion that a court may exercise in the granting of equitable remedies;

5. the Collateral (i) is owned by or licensed to the Borrowers and is only located at the locations disclosed in writing to the Agent and the Lenders, (ii) has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business and (iii) is not subject to any rights of any person or entity other than Permitted Encumbrances;

6. the execution and delivery by each Borrowers of this Term Sheet and the other Credit Documents to which it is a party and the performance by each Borrower of its obligations hereunder and thereunder and compliance with the terms, conditions and provisions hereof and thereof, will not conflict with or result in a breach of (i) its constating documents or by-laws; (ii) the material contracts to which it is party or (iii) any applicable law;

7. all statements (whether financial or otherwise), information, reports, budgets, forecasts and projections made available by a Borrower or anyone on its behalf to the Agent are true, complete and accurate in all material respects and do not omit any information necessary to make them true, complete and accurate in all material respects;

8. the business operations of each Borrower has been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on, other than to the extent it would not cause a Material Adverse Change;

9. each Borrower has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No proceedings have been commenced or, to the knowledge of the Borrowers, threatened to revoke or amend any of such licenses or permits;

10. no Borrower is aware of any person with a secured claim against any Borrower or the Collateral except for the Permitted Encumbrances and the relevant tax authorities and each Borrower is not aware of any unpaid deductions at source owing to the relevant tax authorities;

11. each Borrower has filed or caused to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except taxes that are being contested in good

faith by appropriate proceedings and for which adequate cash reserves are being maintained;

12. other than the CCAA Proceedings and litigation proceedings stayed by the Amended and Restated Initial Order, there are no material actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or, to the knowledge of each Borrower, threatened against or affecting the Borrowers;

13. (i) each Borrower is and has been in material compliance with all applicable environmental laws, including obtaining, maintaining and complying with all permits required by any applicable environmental law, (ii) no Borrower is party to, and no real property currently or previously owned, leased or otherwise occupied by or for any Borrower is subject to or the subject of, any contractual obligation or any pending or, to the knowledge of the Borrowers, threatened order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any environmental law which could reasonably be expected to result in a remedial obligation having a Material Adverse Change, (iii) no encumbrance in favour of any governmental authority securing, in whole or in part, environmental liabilities has attached to any property of the Borrowers and no facts, circumstances or conditions exist that could reasonably be expected to result in any such encumbrance attaching to any such property, (iv) no Borrower has caused or suffered to occur a release of any hazardous substances or conditions creating any potential for such a release at, to or from any real property other than in compliance with environmental laws and except when failure to do so could not reasonably be expected to have a Material Adverse Change, (v) no Borrower has engaged in operations that, and no facts, circumstances or conditions exist that, in the aggregate, would have a reasonable likelihood of resulting in material environmental liabilities, and (vi) each Borrower has made available to the Agent copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in its possession, custody or control;

14. each Borrower maintains insurance policies and coverage which (i) is sufficient for compliance with law and all material agreements to which a Borrower is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Borrowers; and

15. all factual information provided by or on behalf of the Borrowers to the Agent for the purposes of or in connection with this Term Sheet, the other Credit Documents or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and remains true as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

Target Closing Date

The target date for the closing of this Credit Facility is based on a verbally indicated date of on or before May 7, 2021. The Borrowers will seek to obtain the DIP Order at a hearing on or before May 7, 2021 on notice to the service list in the CCAA Proceedings and such other parties as the Borrows or the Agent consider appropriate.

Exclusivity

With the execution of this Term Sheet, Borrowers grant exclusivity to the Agent to provide to the Borrowers a senior-secured revolving credit facility until the earlier of:

	(i) May 7, 2021; and (ii) the date that the Borrowers obtain the DIP Order (or the Court declines to make the DIP Order).
Amendments/Waivers	This Term Sheet may not be amended nor waived except by an instrument in writing signed by each of the Borrowers and the Agent.
Successors and Assigns; Enurement	This Term Sheet shall be binding upon and enure to the benefit of the Agent, the Lenders and the Borrowers and their respective successors and permitted assigns.
Assignment	No Borrower shall assign any of its rights or obligations under this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of the Agent. The Agent and the Lenders may assign, sell or participate its rights or obligations with respect to this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of the Borrowers.
Governing Law	This Term Sheet shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and each of the Agent, the Lenders and the Borrowers irrevocably attorns to the exclusive jurisdiction of the courts of Ontario.
Execution in Counterparts	This Term Sheet may be executed in counterparts, whether by original copy or facsimile or other electronic means, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument.
Agent and Lenders' Counsel:	Dentons Canada LLP
Expiry	If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms hereof by returning to the Agent an executed counterpart to this Term Sheet not later than 5:00 p.m. (Toronto time) on April 13, 2021. The Agent's and the Lenders' commitments and agreements herein will expire at such time in the event the Agent has not received such executed counterpart from the Borrowers in accordance with the immediately preceding sentence.

[Signature Page Follows]

Each Borrower authorizes Cortland Credit Lending Corporation to collect, use and disclose information for the purposes of verification, assessing our credit worthiness, and contract administration. Each Borrower agrees that this information may be collected from any third parties, including current employees, credit bureaus and other persons or organization with whom we have or had financial dealings.

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

Sean Rogister	Chief Executive Officer
Name	**Title**

Sean Rogister

Signed

Accepted this 13th day of April, 2021

CANNTRUST HOLDINGS INC. as Borrower and on behalf of all other Borrowers

Greg Guyatt Chief Executive Officer
Name **Title**

Greg Guyatt
Signed

SCHEDULE A
DEFINED TERMS

"Acceptable Appraiser"	means a Person, who at no time has had an interest, direct or indirect, in the real property being appraised and who, at the time such appraisal was conducted and signed, was designated as an appraiser by the Appraisal Institute of Canada having the designation A.A.I.C. or C.R.A. and who was otherwise acceptable and selected by the Agent and who, in the reasonable opinion of the Borrowers, was qualified to appraise real property in the province in which such real property is located. Each of the Parties acknowledges and agrees that each of Cushman & Wakefield, Inc., Colliers International Group Inc. and Altus Group Limited and their affiliates constitute an Acceptable Appraiser for purposes of the Credit Documents.
"Account Debtor"	means any party which owes any amount under invoices owing to the Borrowers or any Borrower.
"Amended and Restated Initial Order"	means the Amended and Restated Initial Order dated April 9, 2020, made in the CCAA Proceeding.
"Approved Appraised Real Estate Value"	means the net orderly liquidation value of the Real Estate Collateral in question where such value is based on best alternative use, such value to be determined by an Acceptable Appraiser, and such appraisal to be conducted once at any time in each calendar year. Until such time as a revised or substitute appraisal (acceptable to the Agent) is obtained in respect of the Real Estate Collateral, that the Approved Appraised Real Estate Value is as follows: (i) $REDACTED for the Pelham Property; and (ii) $REDACTED for the Osoyoos Property.
"Approved Budget Forecast"	Means the budget forecast provided by the Borrowers to the Agent which at the time of transmission had the file name 'REDACTED
"Approved Debtor"	means each Account Debtor which satisfies any Debtor Eligibility Criteria relevant to classifying debtors of the Borrowers which may be established by the Agent from time to time. The Parties acknowledge and agree that the following Persons are "Approved Debtors" for purposes of the Credit Documents: (i) Ontario Cannabis Store; (ii) Alberta Gaming, Liquor and Cannabis; (iii) British Columbia Liquor Distribution Branch; (iv) Saskatchewan Liquor and Gaming Authority; (v) Liquor, Gaming & Cannabis Authority of Manitoba; (vi) Cannabis NB; (vii) Nova Scotia Liquor Corporation; (viii) Prince Edward Island Cannabis Management Corporation; (ix) Newfoundland and Labrador Liquor Corporation;

(x) Societe quebecoise du cannabis;

(xi) Nunavut Liquor and Cannabis Commission;

(xii) Yukon Liquor Corporation; and

(xiii) Northwest Territories Liquor and Cannabis Commission.

"Approved Debtor Invoice"	Any invoice originally owing from an Approved Debtor to a Borrower and which complies with the following eligibility criteria which may be amended by the Agent from time to time: (i) Such invoice is aged less than 90 days past the invoice date; (ii) Such invoice does not have any potential Priority Liens which may be attached to it, in the opinion of the Agent; (iii) Such invoice is not due from any Approved Debtors whose aggregate outstanding invoice balance that is aged greater than 90 days from the invoice date with any Borrower is greater than REDACTED% of the total amount of invoices outstanding issued by such Borrower and are outstanding at any point in time with such Account Debtor (REDACTED% cross-aging restriction); (iv) Such invoice is not related to any products which are either voluntarily or involuntary recalled by either the Borrowers, any regulatory authority, or any supplier of the Borrowers; (v) Such invoice is not an invoice which has been issued to a foreign entity; (vi) Such invoice is not an invoice which is contestable by the Account Debtor; (vii) Such invoice is valid and collectible in the full amount from the named Account Debtor without right of set-off; (viii) Such amount payable pursuant to the invoice is able to be provided as security to the Agent; (ix) Such amount payable on such invoice directs the Account Debtor to pay the amount payable via wire transfer to a bank account of a Borrower that is subject to the DIP Charge or the Security and is not payable by cheque in any event and such account where proceeds are deposited has a full block in favour of the Agent where balances are swept daily to the Agent; and (x) Other conditions that the Agent may require from time to time upon notice to the Borrowers;
"Approved Equipment"	means certain unencumbered equipment owned by an Obligor which satisfies the Equipment Eligibility Criteria
"Approved Equipment Availability"	means, only after the required equipment appraisals are completed by an appraiser selected and approved by Cortland, the amount which is the lesser of (i) REDACTED% of cost and (ii) REDACTED% of net orderly liquidation value (as determined by a third-party appraiser selected by the Agent) for any Approved Equipment.

“Borrowing Base”	means the calculations prepared by the Borrowers and reviewed by the Agent from time to time which calculates availability under the Credit Facility, such document to determine the advanceable amount under the Credit Facility and presented in a form as required by the Agent. The Borrowing Base will be calculated as follows: (i) REDACTED. Such resulting amount following steps (i) through (ix) above will be the “**Borrowing Base Availability**”. If the result of subtracting the amount outstanding under the credit facility from the Borrowing Base Availability is negative at any time, such negative amount is the “**Borrowing Base Shortfall**”.
“Borrowing Limit”	means, at any relevant time, the lesser of; (i) the Facility Limit or (ii) the Borrowing Base Availability.
“Business Day”	Any day that is not a Saturday or Sunday or a day recognized as a statutory holiday in the Province of Ontario, Canada or the country of Canada. If a required payment falls on a non -business day, then such payment shall be made on the next Business Day.
“CCAA”	means the *Companies’ Creditors Arrangement Act* (Canada).
“CCAA Proceedings”	means the proceedings in Ontario Court File No. CV-20-00638930-00CL whereby the Borrowers have sought to restructure pursuant to the CCAA.
“Change of Control”	means either (i) CannTrust Holdings Inc. ceases to Control the other Obligors, (ii) the assignment, sale, transfer or other disposition of (A) all or substantially all of the assets and business of the Obligors, (B) any material business of any Obligor, (C) a material portion of the Collateral (in each case whether in a single transaction or a series of transactions), or (iii) any transaction or series of transactions whereby any Person or group of Persons, acting jointly or otherwise in concert, acquire the right, by contract or otherwise, to direct the management and activities of any Borrower.
“Contaminant”	includes any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental Law.
“Control”	means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and “***Controlling***” and “***Controlled***” have meanings correlative thereto.
“Credit Documents”	means, collectively, this Term Sheet, the Credit Agreement, the Security, and all other documents contemplated by this Term Sheet and the Security.
“Debtor Eligibility Criteria”	means the criteria set by the Agent through the due diligence stage and from time to time thereafter which identifies and sets any

	requirements or restrictions for the purpose of determining whether any debtor is an Approved Debtor as it relates to the Credit Facility.
"Debtor Invoice"	means any invoice owing from an Account Debtor to any of the Borrowers as the case may be.
"EBITDA"	means for the Obligors taken in aggregate; net income plus interest, depreciation, amortization, taxes, fair value (gains) or losses on any assets and share-based compensation.
"Eligible Inventory"	means inventory owned by the Borrowers which complies with the Inventory Eligibility Criteria which may be amended from time to time.
"Environmental Activity"	means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater.
"Environmental Laws"	means all applicable laws relating to the environment or occupational health and safety, or any Environmental Activity.
"Equipment Eligibility Criteria"	means the criteria set by the Agent from time to time used to determine whether such equipment of the Borrowers and the Guarantors shall be considered Approved Equipment.
"Event of Default"	means the occurrence of any one or more of the following: (i) if any Borrower at any time shall fail to pay or perform with regard to the obligation to repay the principal and interest on any Loan Advance, to pay for any adjustment, or to make any remittance on the date required by the Credit Documents for such payment; (ii) if any Borrower or any representative of any Borrower ceases or threatens to cease carrying on its business or if a petition shall be filed, an order shall be made or an effective resolution shall be passed for the winding up or liquidation of such Borrower; (iii) if a Bankruptcy Event of any Borrower occurs (other than under the CCAA Proceedings); (iv) if the Borrowers fail to meet any of the Milestone Dates; (v) if a Change of Control occurs; (vi) if at any time a Borrowing Base Shortfall exists and the Borrowers do not repay an amount equal to the excess of such Borrowing Base Shortfall on the same day of such occurrence, provided that the Agent shall grant the Borrowers two 3-Business Day cure periods in each 12-month period to allow for the Borrowers to correct any such Borrowing Base Shortfall; (vii) if any encumbrancer, lien holder or person acting on its behalf shall take possession of the Collateral or any material part thereof;

(viii) excluding amounts that are subject to the stay of proceedings under the Amended and Restated Initial Order, if any Borrower permits any sum which has been admitted as due by such Borrower or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the Security Interest to remain unpaid after proceedings have been taken to enforce such charge;

(ix) if any representation or warranty made by any Borrower or any of its officers, employees or agents to the Agent shall be false or inaccurate in any material respect and such representation and warranty is not thereafter made true and correct within 3 Business Days of any Borrower becoming aware of it being false or inaccurate. The 3-Business Day cure period will only be granted by the Agent to the Borrowers once per 12-month period;

(x) if any Borrower or Affiliate (as defined in the *Canada Business Corporations Act*) of any Borrower engages in business activities related to Cannabis within the United States of America so long as such activity is not legal in the United States of America;

(xi) if any Borrower defaults in the observance or performance of any provision relating to the indebtedness or liability of such Borrower to any person in excess of $REDACTED (taken in aggregate), other than indebtedness or liabilities that are subject to the Amended and Restated Initial Order;

(xii) if there will have occurred any event of circumstance that has resulted in, or could reasonably be expected to result in, a Material Adverse Change;

(xiii) if any amount of proceeds of any Collateral is deposited to any bank account of the Borrowers that is not subject to the Security;

(xiv) if any license, permit or approval required by any law, regulation or governmental policy or any governmental authority for the operation by any Borrower of its business shall be withdrawn, materially altered in a manner materially detrimental to the business of such license holder, or cancelled; or

(xv) if a final judgment, execution, writ of seizure and sale, sequestration or decree for the payment of money in an amount, individually or in the aggregate, of at least $REDACTED (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall have been obtained or entered against a Borrower, unless such judgment, execution, writ of seizure and sale, sequestration or decree is and remains vacated, discharged or stayed pending appeal within the applicable appeal period.

"Insured Advance Rate" means REDACTED%

"Lien" means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.

"Material Adverse Change"	means any event, circumstance or change that could be expected to result, individually or in the aggregate, in a material adverse effect, in any respect, on (a) the legality, validity or enforceability of any of the Credit Documents or any of the security interests provided for thereunder, (b) the right or ability of a Borrower to perform any of its obligations under any of the Credit Documents, in each case to which it is a party, or to consummate the transactions contemplated under any of the Credit Documents, (c) the financial condition, assets, business or prospects of the Borrowers, taken as a whole, (d) any Material Permit, (e) a Borrower's ability to retain, utilize, exploit or comply with its obligations under any Material Permit, or (f) the rights or remedies of the Agent under any of the Credit Documents; provided that, (i) any change in the financial condition of a Borrower as the date hereof caused by or related to the COVID-19 global pandemic occurring prior to the date of this Term Sheet will not constitute a Material Adverse Change; and (ii) the commencement and continuation of the CCAA Proceedings will not constitute a Material Adverse Change.
"Material Permits"	means all cannabis licences issued by Health Canada to CannTrust Inc. which are required to legally conduct its business.
"Milestone Dates"	means the dates set out in Schedule B.
"Obligors"	means the Borrowers and any Guarantors.
"Osoyoos Property"	means Osoyoos & Oliver, Silkameen, Division of Yale Land District, British Columbia (Title Number: CA7422902) comprised of 4 parcels of land having a combined area of 81.50 acres, which are currently zoned for agricultural purposes.
"Parties"	means the Agent, the Lenders and the Borrowers and the term "**Party**" shall mean any one of such Parties.
"Pelham Property"	means 1396 Balfour Street Pelham, Ontario (PIN: 64030-0908 LT), having a total site area of 65.5 acres of land improved with 8.27 acres of glass and double ply greenhouses and service buildings.
"Permitted Encumbrances"	means, collectively, (i) Liens granted in favor of the Agent pursuant to the Credit Documents and the DIP Charge, (ii) Subordinated Liens, (iii) Liens granted in favor of a lessor of vehicles, provided that such Liens attach only to such leased vehicles and the proceeds thereof and do not attach to any other Collateral and such lien covered in clause (iii) has been expressly approved and consented to by the Agent; (iv) existing equipment leases and related arrangements; (v) liens for taxes, rates, assessments or other governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person; (vi) undetermined or inchoate liens, rights of distress and charges incidental to current operations that have not at such time been filed or exercised and of which none of the Agent has been given notice, or that relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person; (vii) reservations, limitations, provisos and conditions expressed in any original grant

	from the Crown or other grants of real or immovable property, or interests therein, that do not materially affect the use of the affected land for the purpose for which it is used by that Person; (viii) licences, easements, rights of way and rights in the nature of easements (including licences, easements, rights of way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) that do not materially impair the use of the affected land for the purpose for which it is used by that Person; (ix) title defects, irregularities or other matters relating to title that are of a minor nature and that in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person; (x) the right reserved to or vested in any governmental authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof; (xi) security given to a public utility or any governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business; (xii) a Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that Person and does not result in an Event of Default; and (xiii) a Lien in favour of a financial institution to secure indebtedness under letters of credit, corporate credit cards and/or other cash management.
“Permitted Indebtedness”	shall include (i) certain intercompany indebtedness owing by any Obligor to any other Obligor, (ii) existing indebtedness which is exclusive to; (A) promissory note dated March 6, 2017 granted by Elmcliffe Investments Inc. in favour of 1970030 Ontario Inc.; (B) the letter of credit issued in favour of landlord of Unit 1 of 3280 Langstaff Road in Vaughan, Ontario; (C) debt under corporate credit cards and letters of credit in an aggregate amount not to exceed $250,000; and (D) equipment leases; and (iii) future indebtedness owing to other third parties where such indebtedness is fully subordinated and postponed to the Agent and the Lenders and the Agent has consented to such indebtedness.
“Person”	means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a trust company, a governmental authority and any other legal or business entity.
“Priority Lien”	means any Lien that is not a Subordinated Lien.
“Priority Supplier Lien”	means any Supplier Lien that is not a Subordinated Supplier Lien.
“Real Estate Advance Rate”	means REDACTED%**.**
“Real Estate Collateral”	means the unencumbered real estate owned by the Obligors.
“Restricted Cash”	means cash (i) in the amount of approximately $6,000,000 that the Borrowers deposited in a trust to settle potential directors and officers liabilities; and (ii) in the amount of approximately $250,000 that is pledged as cash collateral for use of the Borrowers’ line of

	credit, corporate credit cards, letters of credit and other cash management.
"Subordinated Lien"	means any Lien for which the holder thereof has agreed, pursuant to a subordination agreement in form satisfactory to the Agent, that such Lien shall at all times be subordinated and postponed in favor of the Liens granted in favor of the Agent.
"Subordinated Supplier Lien"	means any Supplier Lien that is a Subordinated Lien.
"Tangible Net Worth"	As it relates to the Obligors on a consolidated basis and where the following definition may change in the Credit Documents; the value in dollars which remains after subtracting the following from the Obligors' total assets at any point in time: (i) REDACTED.
"Uninsured Advance Rate"	means REDACTED%
"Unrestricted Cash"	means the aggregate value of cash held by the Borrowers in accounts which have either a full or springing block in favour of the Agent, and in any event, is not Restricted Cash.

SCHEDULE B

MILESTONE DATES

The following events are to occur by the dates set forth below, unless otherwise agreed to by the Agent and the Borrowers in writing:

1. CCAA Plan Filed by April 30, 2021.

2. Creditors Meeting by June 14, 2021.

3. Plan Sanction Order by June 30, 2021.

4. US Securities Class Action Dismissal Order by the later of the following: (i) September 30, 2021 and (ii) the date which occurs 130 days after the Borrowers obtain the Plan Sanction Order described immediately above.

5. Plan Implementation by the later of the following: (i) October 31, 2021; and (ii) the date which occurs 31 days after the Borrowers obtain the US Securities Class Action Dismissal Order described immediately above.

6. Presentation of a go-forward business plan acceptable to the Agent on or before the earlier of: (i) October 31, 2021; and (ii) no less than 21 days before the Borrowers' exit from the CCAA Proceedings.

This is **Exhibit "D"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
2nd day of June, 2021

A Commissioner for taking affidavits

TITLE SEARCH PRINT 2021-05-25, 15:25:32

File Reference: 222750-531929 Requestor: Michelle Paul

Declared Value $739000

CURRENT AND CANCELLED INFORMATION SHOWN

Land Title District	KAMLOOPS
Land Title Office	KAMLOOPS
Title Number	CA7422902
From Title Number	LB220219
Application Received	2019-03-29
Application Entered	2019-04-02

Registered Owner in Fee Simple

Registered Owner/Mailing Address: CTI HOLDINGS (OSOYOOS) INC., INC.NO. BC1191744
3280 LANGSTAFF ROAD
VAUGHAN, ON
L4K 5B6

Taxation Authority Penticton Assessment Area

Description of Land

Parcel Identifier: 002-841-258

Legal Description:

LOT 23 DISTRICT LOT 2450S SIMILKAMEEN DIVISION YALE DISTRICT PLAN 1729

Legal Notations

THIS CERTIFICATE OF TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT, SEE PLAN M11063

Charges, Liens and Interests

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	LA68885
Registration Date and Time:	2006-05-26 11:03
Registered Owner:	FORTISBC INC.

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

Corrections	NONE

PARCEL IDENTIFIER (PID): 002-841-258

SHORT LEGAL DESCRIPTION:S/1729/////23
MARG:
TAXATION AUTHORITY:
1 Penticton Assessment Area

FULL LEGAL DESCRIPTION: CURRENT
LOT 23 DISTRICT LOT 2450S SIMILKAMEEN DIVISION YALE DISTRICT PLAN 1729

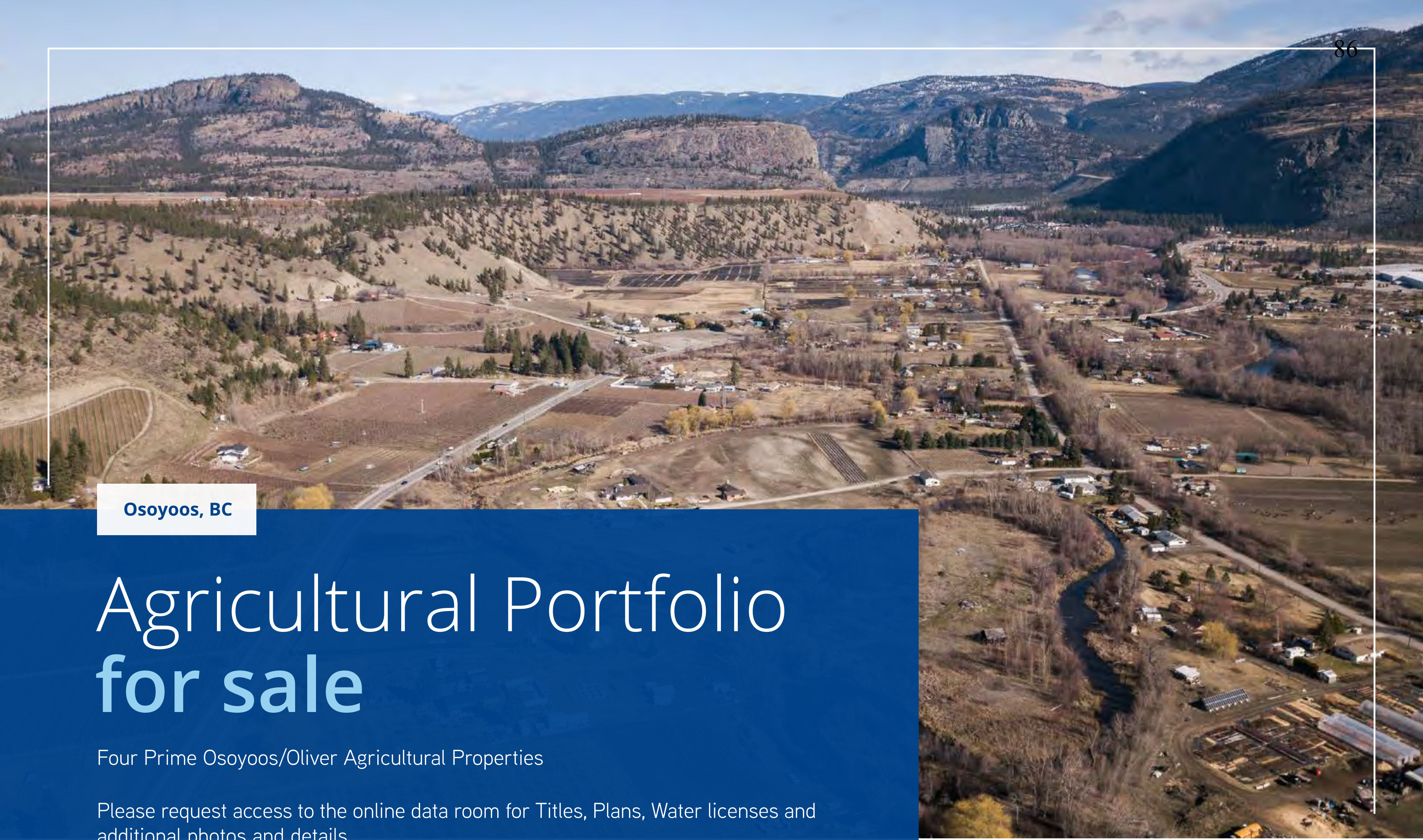
MISCELLANEOUS NOTES:
CG 158544F

ASSOCIATED PLAN NUMBERS:
PLAN KAP1729

AFB/IFB: MN: Y PE: 0 SL: 1 TI: 1

This is **Exhibit "E"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
2nd day of June, 2021

A Commissioner for taking affidavits



Osoyoos, BC

Agricultural Portfolio for sale

Four Prime Osoyoos/Oliver Agricultural Properties

Please request access to the online data room for Titles, Plans, Water licenses and additional photos and details

Alan L. Johnson
Vice President
Unique Properties
+1 604 661 0842
alan.johnson@colliers.com

Bianca Gilbert
Senior Associate
+1 604 694 7225
bianca.gilbert@colliers.com

Stephen Webber
Associate Vice President
+1 250 258 0258
stephen.webber@colliers.com

Colliers

Accelerating success.

Opportunity

Offered for sale on a portfolio basis are 4 separate agricultural properties situated between Osoyoos and Oliver in BC's Okanagan Valley.

Consisting of approximately 81 acres and 4 titles of 12, 15, 22, and 33 acres, the Vendor is seeking offers for the comprehensive portfolio. While purchaser interest in individual titles will be reviewed and noted, the Vendor is not currently seeking offers for individual titles within the portfolio at this time, with the intent to affect a single transaction for all properties. In the event a single transaction for all properties is not completed, the Vendor will review offers on individual properties.

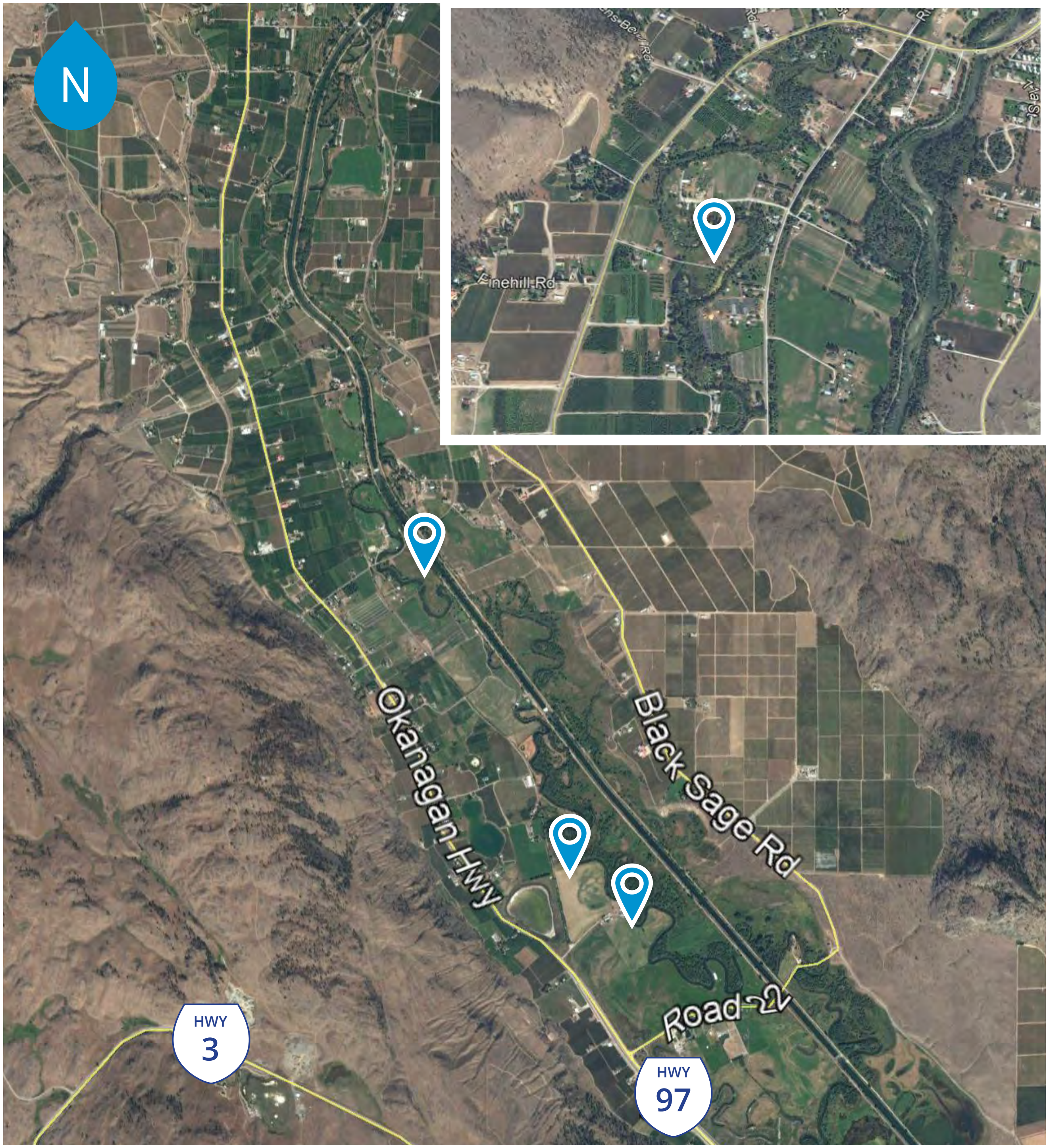
All four properties are within the ALR, have excellent access to the Highway, and were actively farmed in the past. Two of the properties are contiguous and are currently set up as a single farm, while the other two properties are separate.

Location

The properties are generally situated between Osoyoos and Oliver in southern British Columbia's Okanagan Valley.

Located adjacent to the US Border, Osoyoos boasts the warmest freshwater lake in Canada and has a semi-arid climate that makes it very well suited to one of its principal industries, agricultural production. Although orchards dominated the landscape for many years, viticulture has all but taken over making this region one of Canada's more prominent and major wine producers.

Osoyoos has a population of around 5,000, which, like many similar towns in BC, sees a dramatic rise in the summer with seasonal residents coming to enjoy its dry climate and magnificent natural amenities.



Property One

8707 296 Avenue
Osoyoos, BC

PID
011-259-540

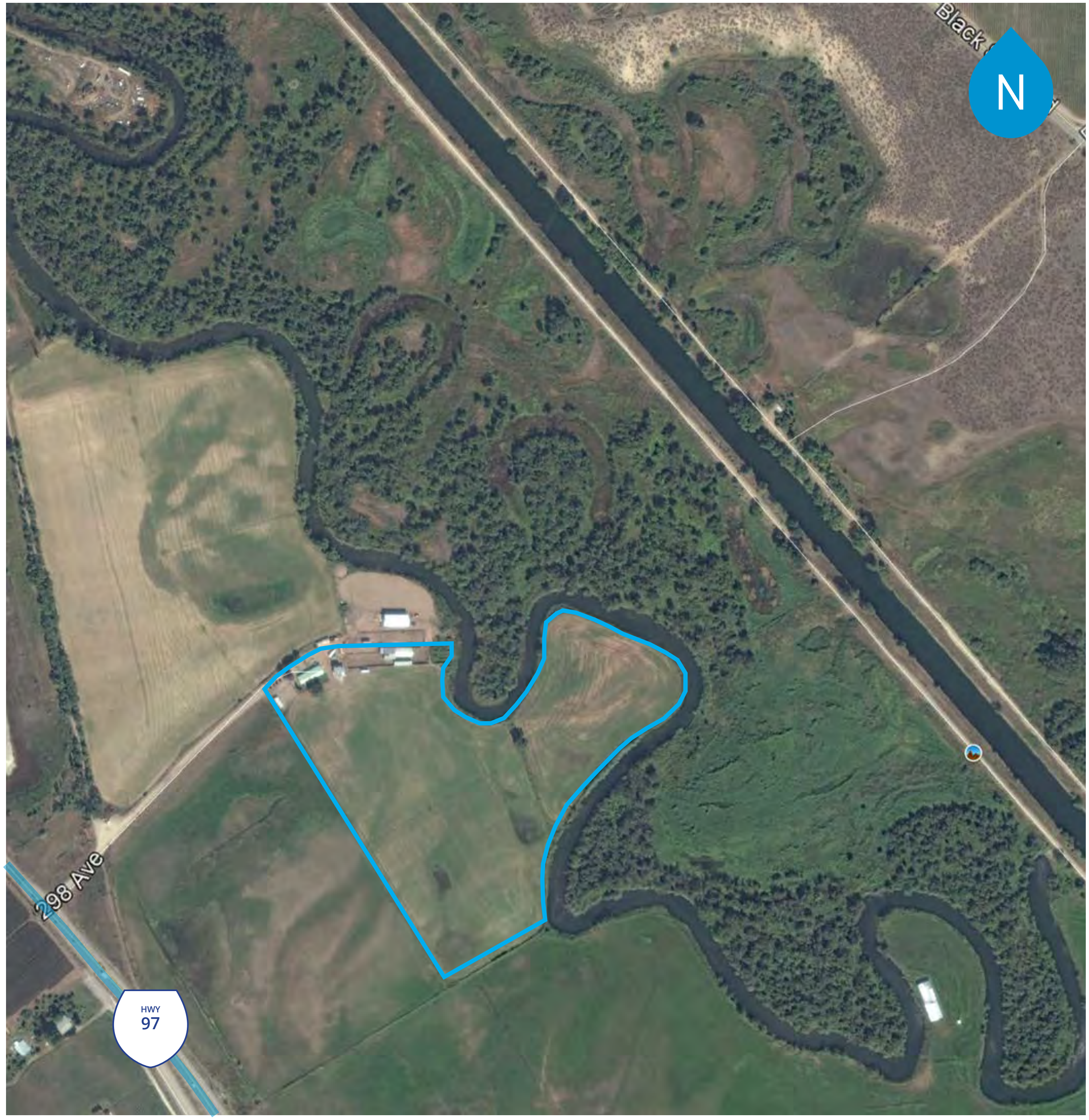
Site Size
21.5 acres

Zoning
Agricultural

Improvements
1 single storey house and farm related improvements

Residence
Yes

Water Licences
80 acre feet & 20 acres



Property Two

296 Avenue, Osoyoos, BC

PID
007-861-940

Site Size
32.9 acres

Zoning
Agricultural

Improvements
Minimal

Residence
No

Water Licences
115.6 acre feet & 28.9 acres

Property Three

894 Juniper Road
Osoyoos, BC

PID
007-523-033

Site Size
15.9 acres

Zoning
AG1- Agricultural

Improvements
Vacant Land

Residence
No

Water Licences
28.32 acre feet & 9.44 acres

Property Four

7621 Highway 97
Oliver, BC

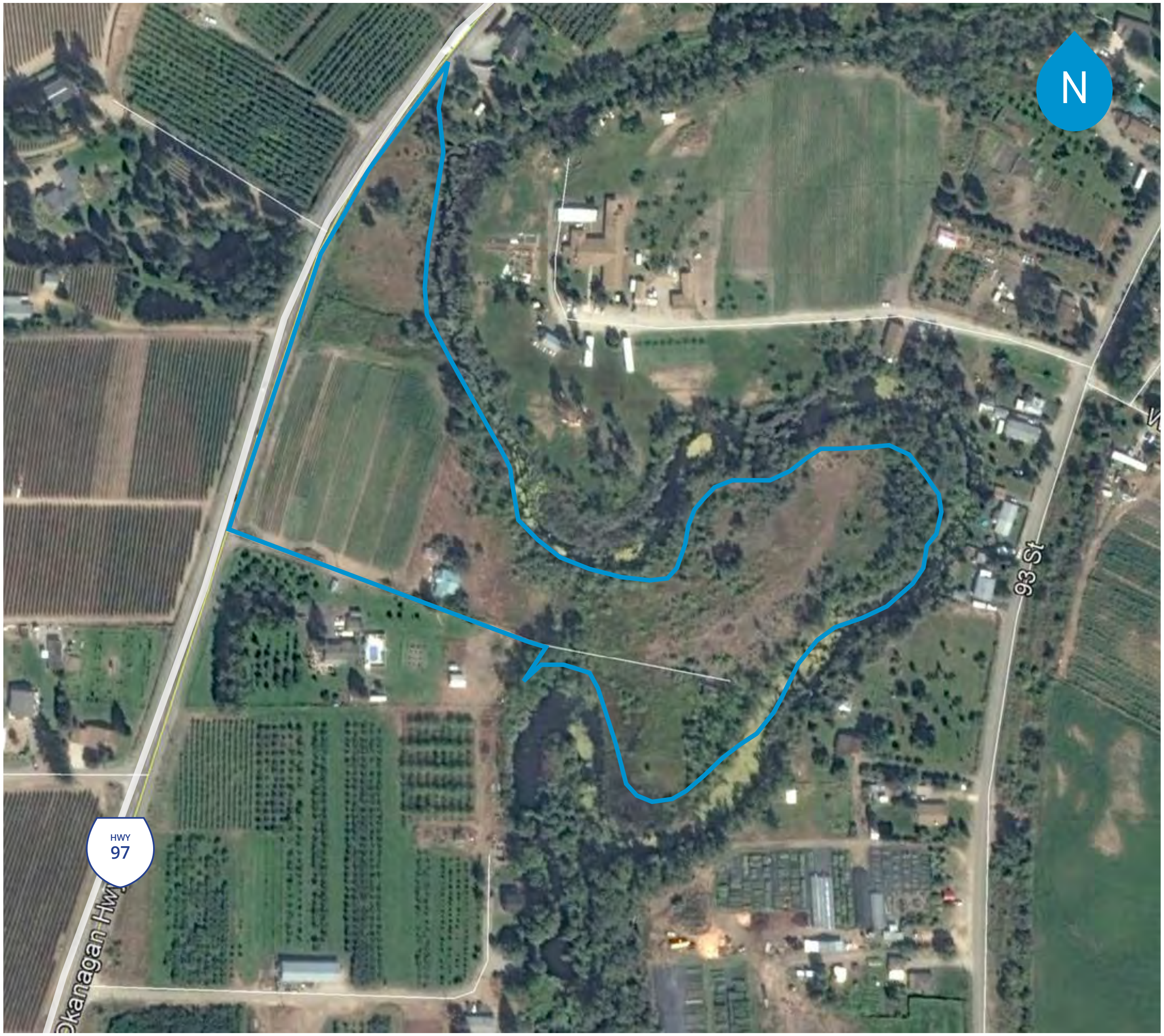
PID
002-841-258

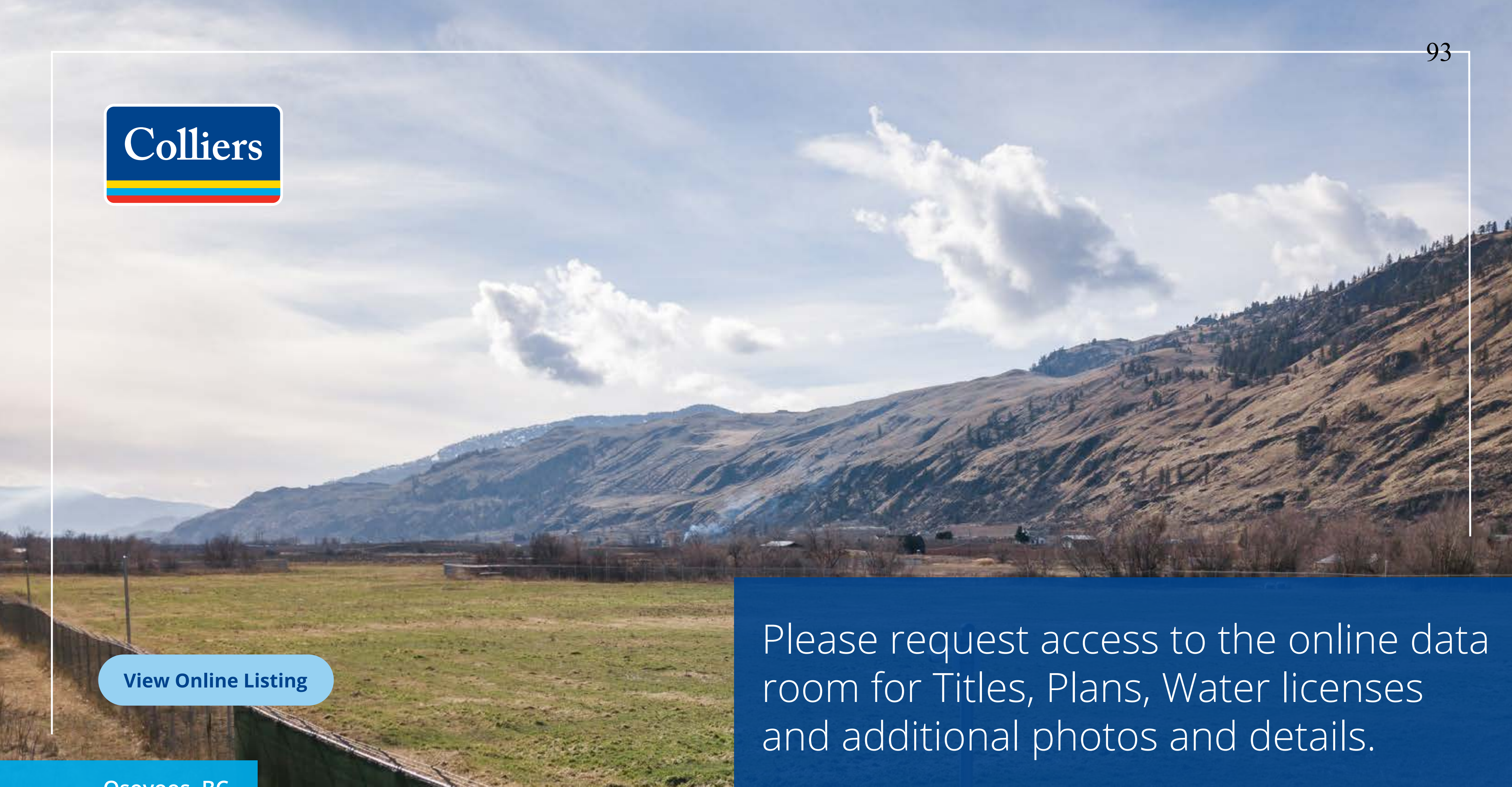
Site Size
11.6 acres

Zoning
AG1- Agricultural

Improvements
1 single storey house

Residence
Yes





View Online Listing

Osoyoos, BC

Please request access to the online data room for Titles, Plans, Water licenses and additional photos and details.

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Vice President
Unique Properties
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Accelerating success.

This is **Exhibit "F"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
2nd day of June, 2021

A Commissioner for taking affidavits

200 Granville Street, 19th Floor
Vancouver, British Columbia
Canada V6C 2R6
www.collierscanada.com

MAIN [+1 604 681 4111]
FAX [+1 604 661 0849]

June 1, 2021

c/o Colliers International
1900 – 200 Granville Street
Vancouver, BC V6C 2R6

Attention: Mr. David Blair

Dear David:

Re: 7621 Highway 97, British Columbia

Further to your request, we are pleased to provide you with a summary of our marketing efforts with respect to the potential sale of the property known as 7621 Highway 97, British Columbia.

Colliers formally listed the property as part of a portfolio sale on the South Okanagan Real Estate Board MLS on March 3rd, 2021 at a price of $5,750,000. We immediately commenced our due diligence process and marketing material preparation in addition to organizing a site visit. Initial access to the facility was delayed as there was no common key to be found for the unit. We began making direct calls to potential parties during the week of March 3rd when the property was first launched onto the MLS. Direction was given to prospective purchasers that offers would be accepted at any time after March 15th, 2021. This stipulation was put in place to allow for proper market exposure on the MLS prior to accepting an offer, if any.

Following this, the properties were listed on an individual basis on April 30, 2021. A detailed summary report on offers received is included further in this report. The new listing price for each individual property is as follows:

- 7621 Highway 97: $1,075,000
- 894 Juniper Road: $1,050,000
- 8707 296 Avenue: $3,775,000

The marketing team consists of Bianca Gilbert, Alan Johnson, and Stephen Webber from Colliers. Colliers is a full service commercial real estate company and the listing team has industry leading expertise in a multitude of asset types including agricultural, industrial, and land. Colliers is the first international real estate brokerage to have successfully completed transactions in the cannabis industry, and the listing team has a proven track record of these transactions.

Our actions to date have included the following:

1. **Detailed Information Package**: We prepared a comprehensive Information Package that provides prospects detailed information of the property. Location maps, legal plans, improvement details, zoning bylaws, photographs and more are available to prospective purchasers upon request.

2. **Internet**: In addition to the MLS, we placed the listing on ColliersCanada.com, and UniqueProperties.ca. Our web listing provides detailed information on the property and allows visitors to download the MLS brochure.

3. **Email Marketing:** Two marketing email blasts were sent to a targeted list of active owner occupiers, investors, and corporations within the investment and agricultural sector. This list totals over 2,500 different qualified prospects.

   E-Blast Statistics:

   a. Unique Opens: 40.76% (887 opens)
   b. Clicks: 27.45% (115 people)
   c. Clicks Per Person: 2.86

4. **Direct Contact**: We have been in personal and direct contact with an estimated 50 prospects. This number does not include casual conversations or quick inquiries based on receipt of our eblast. Brokers in our Vancouver and Kelowna offices have also been made aware of the offering.

5. **Advertising**: Our advertising has so far been limited to electronic advertising.

6. **Tours:** A total of six tours have come through the facility to date.
   - **Winery Prospect**
   - **Investor Prospect**
   - **Farm Prospect**
   - **Investor Prospect**
   - **Investor Prospect**
   - **Farmer Prospect**
   - **Farmer Prospect**
   - **Investor Prospect**

MARKETING REPORT

Real Estate Board: South Okanagan Real Estate Board

Initial List Date: March 3, 2021
Initial List Price: $5,750,000 *(Portfolio Sale)*

Offers:

Two offers were received on a portfolio basis from the same buyer, Prospect #1. The first offer was received on February 25, 2021, and the second on April 6, 2021. Both offers were for the same purchase price. The main individual behind Prospect #1 is known to the vendor and was involved in the vendor's original purchase of the properties.

The first offer was declined as the properties had not yet had exposure on the MLS. The CCAA process would require a minimum exposure time and review of marketing efforts, to which the first offer did not allow reasonable exposure to engage in a competitive listing and offer process. This was communicated to the buyer's agent, who then confirmed the buyer would submit a secondary offer at a later date.

The listing team believed the offer to be under market for the properties. In discussing with the buyer's agent, the agent disclosed they intended to purchase the properties with the intent to re-sell the properties for profit. The listing team further questioned the buyer's agent and had reason to believe the buyer could not complete the sale without selling one or more of the properties in the portfolio prior to closing. There is also the potential for a conflict of interest given the previous relationship of the buyer to the vendor. In addition to the offer being under-market and unqualified, the optics of selling the property under market to a buyer previously affiliated with the vendor was noted.

Second List Date: April 30, 2021
Individual Property List Prices:

- 7621 Highway 97: $1,075,000
- 894 Juniper Road: $1,050,000
- 8707 296 Avenue: $3,775,000

Offers:
An offer was received on May 5th 2021 for 7621 Highway 97. This was believed to be under market, and was countered by the vendor. The buyer resubmitted a subject-free offer and accepted all countered terms. Since the offer acceptance date, we have had 3 inquiries from prospective purchasers, however none have submitted an offer.

To date, the initial offeror, Prospect #1, has not resubmitted any offers on the properties on an individual basis.

An offer was also received for 894 Juniper Road and has since been countered. We are waiting on a response from the prospective buyer.

OTHER INTEREST

Inquiries: Approximately 15 separate inquiries from prospective purchasers since the second list date, half of which are realtors and the remainder from owner-occupiers. The most serious interest has come from the purchaser whose offer has been submitted for review and approval by the court. There have been two parties who have inquired with interest to lease the properties for 1-2 years. Given the liabilities associated with leasing farmland, these inquiries were declined.

Tours: Please see above for full list of toured parties

Webpage Statistics:

PROPERTY	MLS VIEWS	COLLIERS CANADA VIEWS	UNIQUE PROPERTIES VIEWS
7621 Highway 97	555	63	278
894 Juniper Road	158	60	278
8707 296 Avenue	44	47	278
Portfolio	n/a	150	n/a

A copy of the marketing brochure is accompanied in a secondary attachment.

Conclusion

Given the amount of interest to date, we believe the current offer on 7621 Highway 97 is of fair market value and recommend proceeding with the sale. The properties have had reasonable and adequate exposure on the MLS, ColliersCanada, and UniqueProperties and the most significant interest to date has come from the offeror of the property.

Sincerely,

COLLIERS INTERNATIONAL

Bianca Gilbert
Senior Associate
Industrial Practice Group
Dir: 604 694 7225
bianca.gilbert@colliers.com

Alan L. Johnson, B.Com
Vice President
Unique Properties Group
Dir: 604 661 0842
alan.johnson@colliers.com

Stephen Webber
Associate Vice President
Dir: 250 258 0258
stephen.webber@colliers.com

This is **Confidential Exhibit "G"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
2nd day of June, 2021

____
A Commissioner for taking affidavits

CONFIDENTIAL

Submitted to Court subject to a request for a sealing order

This is **Exhibit "H"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
2nd day of June, 2021

A Commissioner for taking affidavits

CONTRACT OF PURCHASE AND SALE
INFORMATION ABOUT THIS CONTRACT

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.

1. **CONTRACT:** This document, when signed by both parties, is a legally binding contract. READ IT CAREFULLY. The parties should ensure that everything that is agreed to is in writing.

2. **DEPOSIT(S):** Section 28 of the *Real Estate Services Act* requires that money held by a brokerage in respect of a real estate transaction for which there is an agreement between the parties for the acquisition and disposition of the real estate be held by the brokerage as a stakeholder. The money is held for the real estate transaction and not on behalf of one of the parties. If a party does not remove a subject clause, the brokerage requires the written agreement of both parties in order to release the deposit. If both parties do not sign the agreement to release the deposit, then the parties will have to apply to court for a determination of the deposit issue.

3. **COMPLETION:** (Section 4) Unless the parties are prepared to actually meet at the Land Title Office and exchange title documents for the Purchase Price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:

   (a) The Buyer pays the Purchase Price or down payment in trust to the Buyer's Lawyer or Notary (who should advise the Buyer of the exact amount required) several days before the Completion Date and the Buyer signs the documents.

   (b) The Buyer's Lawyer or Notary prepares the documents and forwards them for signature to the Seller's Lawyer or Notary who returns the documents to the Buyer's Lawyer or Notary.

   (c) The Buyer's Lawyer or Notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.

   (d) The Buyer's Lawyer or Notary releases the sale proceeds at the Buyer's Lawyer's or Notary's office.

   Since the Seller is entitled to the Seller's proceeds on the Completion Date, and since the sequence described above takes a day or more, it is strongly recommended that the Buyer deposits the money and the signed documents AT LEAST TWO DAYS before the Completion Date, or at the request of the Conveyancer, and that the Seller delivers the signed transfer documents no later than the morning of the day before the Completion Date.

   While it is possible to have a Saturday Completion Date using the Land Title Office's Electronic Filing System, parties are strongly encouraged **NOT** to schedule a Saturday Completion Date as it will restrict their access to fewer lawyers or notaries who operate on Saturdays; lenders will generally not fund new mortgages on Saturdays; lenders with existing mortgages may not accept payouts on Saturdays; and other offices necessary as part of the closing process may not be open.

4. **POSSESSION:** (Section 5) the Buyer should make arrangements through the REALTOR® for obtaining possession. The Seller will not generally let the Buyer move in before the Seller has actually received the sale proceeds. Where residential tenants are involved, Buyers and Sellers should consult the *Residential Tenancy Act*.

5. **TITLE:** (Section 9) It is up to the Buyer to satisfy the Buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the Property and any encumbrances which are staying on title before becoming legally bound. It is up to the Seller to specify in the Contract if there are any encumbrances, other than those listed in Section 9, which are staying on title before becoming legally bound. If you as the Buyer are taking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the seller are allowing the Buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.

6. **CUSTOMARY COSTS:** (Section 15) In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

Costs to be Borne by the Seller

Lawyer or Notary Fees and Expenses:
- attending to execution documents.

Costs of clearing title, including:
- investigating title,
- discharge fees charged by encumbrance holders,
- prepayment penalties.

Real Estate Commission (plus GST).
Goods and Services Tax (if applicable).

Costs to be Borne by the Buyer

Lawyer or Notary Fees and Expenses:
- searching title,
- drafting documents.

Land Title Registration fees.
DS DB
G.L
Survey Certificate (if required).
Costs of Mortgage, including:
- mortgage company's Lawyer/Notary.
- appraisal (if applicable)
- Land Title Registration fees.

Fire Insurance Premium.
Sales Tax (if applicable).
Property Transfer Tax.
RC
Goods and Services Tax (if applicable).

In addition to the above costs there maybe financial adjustments between the Seller and the Buyer pursuant to Section 6 and additional taxes payable by one or more of the parties in respect of the Property or the transaction contemplated hereby (e.g. empty home tax and speculation tax).

7. **CLOSING MATTERS:** The closing documents referred to in Sections 11, 11A and 11B of this Contract will, in most cases, be prepared by the Buyer's Lawyer or Notary and provided to the Seller's Lawyer or Notary for review and approval. Once settled, the lawyers/notaries will arrange for execution by the parties and delivery on or prior to the Completion Date. The matters addressed in the closing documents referred to in Sections 11A and 11B will assist the lawyers/notaries as they finalize and attend to various closing matters arising in connection with the purchase and sale contemplated by this Contract.

8. **RISK:** (Section 16) The Buyer should arrange for insurance to be effective as of 12:01 am the Completion Date.

9. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold residences. If your transaction involves: a house or other building under construction, a lease, a business, an assignment, other special circumstances (including the acquisition of land situated on a First Nations reserve), additional provisions, not contained in this form, may be needed, and professional advice should be obtained. A Property Disclosure Statement completed by the Seller may be available.

10. **REALTOR® Code, Article 11:** A REALTOR® shall not buy or sell, or attempt to buy or sell an interest in property either directly or indirectly for himself or herself, any member of his or her Immediate Family, or any entity in which the REALTOR® has a financial interest, without making the Realtor's position known to the buyer or seller in writing. Section 5-9 of the Rules: If a licensee acquires, directly or indirectly, or disposes of real estate, or if the licensee assists an associate in acquiring, directly or indirectly, or disposing of real estate, the licensee must make a disclosure in writing to the opposite party before entering into any agreement for the acquisition or disposition of the real estate.

11. **RESIDENCY:** When completing their residency and citizenship status, the Buyer and the Seller should confirm their residency and citizenship status and the tax implications thereof with their Lawyer/Accountant.

12. **AGENCY DISCLOSURE:** (Section 21) all Realtors with whom the Seller or the Buyer has an agency relationship should be listed. If additional space is required, list the additional Realtors on a Contract of Purchase and Sale Addendum.

BCREA THE CANADIAN BAR ASSOCIATION British Columbia Branch

CONTRACT OF PURCHASE AND SALE

BROKERAGE: RE/MAX WINE CAPITAL REALTY DATE: May 11th 2021

ADDRESS: 444 School Ave;Box 220 OLIVER BC PC: V0H1T0 PHONE: (250) 498-6500

PREPARED BY: MATHEW LEWIS MLS® NO:

SELLER: CTI Holdings (Osoyoos) Inc.	BUYER: Swaranjit Singh Chahal
SELLER:	BUYER: Ravinder Kaur Chahal
ADDRESS:	ADDRESS: 430 Pinehill Road
	Oliver, BC
PC:	PC: V0H 1T5
PHONE:	PHONE:
	OCCUPATION: Farmer

PROPERTY:

7621 Highway 97

UNIT NO. ADDRESS OF PROPERTY

Oliver V0H 1T5

CITY/TOWN/MUNICIPALITY POSTAL CODE

002-841-258

PID OTHER PID(S)

Lot 23, Plan KAP1729, District Lot 2450S, Similkameen Div of Yale Land District

LEGAL DESCRIPTION

The Buyer agrees to purchase the Property from the Seller on the following terms and subject to the following conditions:

1. **PURCHASE PRICE:** The purchase price of the Property will be [redacted] DOLLARS $[redacted] (Purchase Price)

2. **DEPOSIT:** A deposit of $50,000.00 which will form part of the Purchase Price, will be paid **within 24 hours of acceptance** unless agreed as follows:

All monies paid pursuant to this section (Deposit) will be paid in accordance with section 10 or by uncertified cheque except as otherwise set out in this section 2 and will be delivered in trust to RE/MAX Wine Capital Realty and held in trust in accordance with the provisions of the *Real Estate Services Act*. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Services Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

INITIALS S.C RC DS DB

3. **TERMS AND CONDITIONS:** The purchase and sale of the Property includes the following terms and is subject to the following conditions:

This agreement is conditional on the following, which condition is inserted for the benefit of the Seller:

a) The terms of this agreement and the sale of the property being approved and consented by Ernst
& Young inc., in its capacity as the court-appointed monitor of the Seller in its proceedings under the Companies' Creditors Agreement Act (Canada) before the Ontario Superior Court of Justice (the " Court') bearing Court File No. CV-20-00638930-00CL (The ' CCAA Proceedings");
(b) the terms of this Agreement and the Sale of the Property being approved and consented to by Cortland Credit Lending Corporation in its capacity as administrative agent with respect to the credit facility approved by the court in the CCAA proceedings ob April 30, 2021; and
(c) the Seller obtaining an Approval and Vesting order from the Court in the CCAA Proceedings with respect to this agreement and the sale of the Property.

If the Seller has not provided notice to the Buyer that these conditions have been satisfied or waived on or before 5:00PM on June 14th, 2021, the Agreement shall become null and void and the Buyer's deposit shall be returned without interest or deduction.

RC SC DS DB

Completion Date means 10 business days following the date on which the Supreme Court of British Columbia reseals the Approval and Vesting Order from the Court or otherwise issues and order which is satisfactory to the BC Land Title and Survey Authority to allow the registration of title to the Property in the name of the Buyer.

RC SC DS DB

Excise Tax Act: The Buyer acknowledge and agrees that the Purchase Price does not include goods and services tax ("GST" payable under the *Excise Tax Act* (Canada). The Buyer will pay to the Seller on the Completion Date concurrently with the Purchase Price, the total GST payable, if any, in respect of the purchase of the Property.

RC SC DS DB

The parties acknowledge and agree that the parties have been advised to seek independent legal advice regarding the Speculation and Vacancy Tax, Empty Home Tax, Goods and Services Tax, and any other applicable Taxes

Each condition, if so indicated is for the sole benefit of the party indicated. Unless each condition is waived or declared fulfilled by written notice given by the benefiting party to the other party on or before the date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

INITIALS SC RC DS DB

4. **COMPLETION:** The sale will be completed on 10 Business Days following the Court Date, yr. ________ (Completion Date) at the appropriate Land Title Office.

5. **POSSESSION:** The Buyer will have vacant possession of the Property at ________ m. on 1 Day Following Completion, yr. ________ (Possession Date) OR, subject to the following existing tenancies, if any: Vacant.

6. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of The Possession Date, yr. ________ (Adjustment Date).

7. **INCLUDED ITEMS:** The Purchase Price includes any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, INCLUDING:
N/A - As is where is on completion.

BUT EXCLUDING:

8. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on ________ yr. ________.

9. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies set out in Section 5, if any, and except as otherwise set out herein.

10. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, wire transfer, cash or Lawyer's/Notary's or real estate brokerage's trust cheque.

11. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.

11. A. **SELLER'S PARTICULARS AND RESIDENCY:** The Seller shall deliver to the Buyer on or before the Completion Date a statutory declaration of the Seller containing: (1) particulars regarding the Seller that are required to be included in the Buyer's Property Transfer Tax Return to be filed in connection with the completion of the transaction contemplated by this Contract (and the Seller hereby consents to the Buyer inserting such particulars on such return); (2) declarations regarding the Speculation and Vacancy Tax for residential properties located in jurisdictions where such tax is imposed, if requested by the Buyer's Conveyancer, and the Vancouver Vacancy By-Law for residential properties located in the City of Vancouver; and (3) if the Seller is not a non-resident of Canada as described in the non-residency provisions of the *Income Tax Act*, confirmation that the Seller is not then, and on the Completion Date will not be, a non-resident of Canada. If on the Completion Date the Seller is a non-resident of Canada as described in the residency provisions of the *Income Tax Act*, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under section 116 of the *Income Tax Act*.

INITIALS DS DB

11. B. **GST CERTIFICATE:** If the transaction contemplated by this Contract is exempt from the payment of Goods and Services Tax ("**GST**"), the Seller shall execute and deliver to the Buyer on or before the Completion Date, an appropriate GST exemption certificate to relieve the parties of their obligations to pay, collect and remit GST in respect of the transaction. If the transaction contemplated by this Contract is not exempt from the payment of GST, the Seller and the Buyer shall execute and deliver to the other party on or before the Completion Date an appropriate GST certificate in respect of the transaction.

12. **TIME:** Time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreements to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller, subject to the provisions of Section 28 of the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.

13. **BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").

14. **CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.

15. **COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.

16. **RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer.

17. **PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.

18. **REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and the representations contained in the Property Disclosure Statement if incorporated into and forming part of this Contract, all of which will survive the completion of the sale.

19. **PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the managing broker(s), associate broker(s) and representative(s) of those Brokerages (collectively the "REALTOR®(s)") described in Section 21, the real estate boards of which those Brokerages and REALTOR®s are members and, if the Property is listed on a Multiple Listing Service®, the real estate board that operates the Multiple Listing Service®, of personal information about the Buyer and the Seller:

    a. for all purposes consistent with the transaction contemplated herein:

    b. if the Property is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;

INITIALS S.V RC DS DB

c. for enforcing codes of professional conduct and ethics for members of real estate boards; and

d. for the purposes (and to the recipients) described in the British Columbia Real Estate Association's Privacy Notice and Consent form.

The personal information provided by the Buyer and Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

20. **ASSIGNMENT OF REMUNERATION:** The Buyer and the Seller agree that the Seller's authorization and instruction set out in section 25(C) below is a confirmation of the equitable assignment by the Seller in the Listing Contract and is notice of the equitable assignment to anyone acting on behalf of the Buyer or Seller.

20A. **RESTRICTION ON ASSIGNMENT OF CONTRACT:** The Buyer and the Seller agree that this Contract: (a) must not be assigned without the written consent of the Seller; and (b) the Seller is entitled to any profit resulting from an assignment of the Contract by the Buyer or any subsequent assignee.

21. **AGENCY DISCLOSURE:** The Seller and the Buyer acknowledge and confirm as follows (initial appropriate box(es) and complete details as applicable):

DS DB | INITIALS

A. The Seller acknowledges having received, read and understood Real Estate Council of British Columbia (RECBC) form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Seller has an agency relationship with

Allan Johnson (*Designated Agent(s)/REALTOR®(s)*)

who is/are licensed in relation to Colliers (*Brokerage*).

G.C | RS | INITIALS

B. The Buyer acknowledges having received, read and understood RECBC form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Buyer has an agency relationship with

MATHEW LEWIS (*Designated Agent(s)/REALTOR®(s)*)

who is/are licensed in relation to RE/MAX WINE CAPITAL REALTY (*Brokerage*).

INITIALS

C. The Seller and the Buyer each acknowledge having received, read and understood RECBC form entitled *"Disclosure of Risks Associated with Dual Agency"* and hereby confirm that they each consent to a dual agency relationship with

____________________ (*Designated Agent(s)/REALTOR®(s)*) who is/are licensed in relation to ____________________ (*Brokerage*),

having signed a dual agency agreement with such Designated Agent(s)/REALTOR®(s) dated ____________.

INITIALS

D. If only (A) has been completed, the Buyer acknowledges having received, read and understood RECBC form "*Disclosure of Risks to Unrepresented Parties*" from the Seller's agent listed in (A) and hereby confirms that the Buyer has no agency relationship.

INITIALS

E. If only (B) has been completed, the Seller acknowledges having received, read and understood RECBC form "*Disclosure of Risks to Unrepresented Parties*" from the Buyer's agent listed in (B) and hereby confirms that the Seller has no agency relationship.

INITIALS G.C | RS | | DS DB

22. **ACCEPTANCE IRREVOCABLE** (Buyer and Seller): The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale is executed under seal. It is agreed and understood that the Seller's acceptance is irrevocable, including without limitation, during the period prior to the date specified for the Buyer to either:
    a. fulfill or waive the terms and conditions herein contained; and/or
    b. exercise any option(s) herein contained.

23. **THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.**

24. **OFFER:** This offer, or counter-offer, will be open for acceptance until 12 o'clock P. m. on May 15 ~~14~~, yr. 2021 (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

DS DB

S.C
R C

WITNESS | X BUYER (SEAL) | Swaranjit Singh Chahal PRINT NAME

WITNESS | X BUYER (SEAL) | Ravinder Kaur Chahal PRINT NAME

If the Buyer is an individual, the Buyer declares that they are a Canadian citizen or a permanent resident as defined in the *Immigration and Refugee Protection Act*:

Yes [S.C | R.C] INITIALS   No [|] INITIALS

25. **ACCEPTANCE:** The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested forthwith after completion.

Seller's acceptance is dated 5/14/2021 | 11:27 AM PDT, yr. ______

The Seller declares their residency:

RESIDENT OF CANADA [DS DB |] INITIALS   NON-RESIDENT OF CANADA [|] INITIALS   as defined under the *Income Tax Act*.

WITNESS | X DocuSigned by: David Blair SELLER 25ECF9733443A... (SEAL) | CTI Holdings (Osoyoos) Inc. PRINT NAME

WITNESS | X SELLER (SEAL) | PRINT NAME

*PREC represents Personal Real Estate Corporation
Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

This is **Exhibit "I"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
2nd day of June, 2021

A Commissioner for taking affidavits

Greenhill & Co. Canada, Ltd.
79 Wellington Street West, Suite 3403
TD South Tower
Toronto, Ontario M5K 1K7
(416) 601-2560

Greenhill

CONFIDENTIAL

April 3, 2020

Special Committee of the Board of Directors
CannTrust Holdings Inc.
7300 Keele Street
Vaughan, Ontario

Attn: Mr. Mark Dawber
Chairman of the Special Committee of the Board of Directors

Dear Mark:

The purpose of this letter agreement is to amend and restate the letter agreement dated as of August 1, 2019 (the "Original Agreement") made between Greenhill & Co. Canada Ltd. ("Greenhill") and CannTrust Holdings Inc. (the "Company"), pursuant to which the Company engaged Greenhill to act as a financial advisor to the Special Committee (the "Special Committee") of the Company's Board of Directors (the "Board") in connection with the Special Committee's consideration of various strategic and business alternatives for the Company, which may include one or more potential Transactions. This letter agreement (the "Agreement") replaces and supersedes the Original Agreement and the indemnity letter agreement dated July 30, 2019 made between Greenhill and the Company.

For the purposes hereof, a "Transaction" shall mean any direct or indirect, solicited or unsolicited (i) sale, transfer or other disposition of all or substantially all of the assets of the Company or any of its affiliates, (ii) any sale of more than 20% of the outstanding voting or equity interests of the Company or any of its affiliates, (iii) any investment in 10% or more of the Company's equity or voting securities (or convertible securities or options providing for same), or (iv) any business combination or extraordinary corporate transaction involving the Company or any of its affiliates, whether in one or a series of transactions, including, without limitation, by way of a negotiated sale, merger or consolidation, spin-off, split-off or other extraordinary dividend of cash, securities or other assets, tender or exchange offer, share exchange, leveraged buyout, investment or partnership, strategic relationship, collaborative or joint venture, lease, license, divestiture, or otherwise.

1. In connection with the engagement hereunder, Greenhill will undertake certain services on behalf of the Special Committee, including, to the extent requested by the Special Committee and as appropriate:

<u>Strategic Advisory:</u>

a. conducting a strategic review of the business, including reviewing the business, assets and operations of the Company and its historical and projected financial condition;

b. assisting the Special Committee in assessing the current and future financial condition of the Company, as well as its competitive environment and prospects;

c. performing an assessment of value of the Company, which will not constitute a formal valuation;

d. identifying and assessing the Company's strategic alternatives and advising on the financial implications of related corporate governance issues;

e. evaluating and advising the Special Committee with respect to various strategic alternatives for the Company;

<u>Defense Advisory:</u>

f. advising the Special Committee with respect to any unsolicited actions, offers or proposals directed at the Company from any parties, and the Company's potential responses thereto;

g. assisting the Special Committee in preparing for current and future public activism against the Company;

h. assisting the Special Committee in preparing for and responding to any other attempts to acquire or influence control of the Company or its Board, including any attempts to change the Company's articles, by-laws or other corporate governance instruments by proxy or consent solicitation or otherwise;

i. assisting the Special Committee in assessing, and taking action steps to limit, the Company's risk of unsolicited activity;

j. assisting the Special Committee with respect to interactions and communications with the Company's shareholders, as well as other stakeholders, as appropriate;

k. assisting the Special Committee in connection with its assessment and, if desired by the Special Committee, the implementation, of various defensive measures;

l. conduct a process to implement a Transaction;

<u>Transaction Advisory:</u>

m. if requested, analyzing and evaluating a Transaction;

n. if requested, advising the Special Committee as to the timing, structure and pricing of a specific proposed Transaction;

o. if requested, assisting the Special Committee in negotiating the financial terms of and consummating a specific proposed Transaction;

p. providing such other financial advisory and investment banking services as are customary for similar transactions and mutually agreed upon by the Special Committee and Greenhill;

q. if appropriate, rendering an opinion to the Special Committee or the Board as to the fairness or adequacy, from a financial point of view, to the Company or, if applicable, the Company's shareholders of the consideration to be received by the Company or such holders (or the exchange ratio provided for) in connection with a proposed Transaction (an "Opinion"); it being understood that the nature and scope of Greenhill's investigation as well as the scope, form and substance of, and the assumptions and qualifications contained in, its Opinion, shall be as Greenhill deems appropriate;

  i) providing such other financial advisory and investment banking services as are customary for similar transactions and mutually agreed upon by the Special Committee and Greenhill; and

Other Advisory Services:

r. providing such other financial advisory and investment banking services as are customary and mutually agreed upon by the Special Committee and Greenhill, outside of services described above under the headings Strategic Advisory, Defense Advisory and Transaction Advisory.

2. As compensation for Greenhill's services hereunder, the Company shall pay Greenhill the following cash fees, subject to the terms and conditions noted below:

Engagement Fee

a. a non-refundable engagement fee, for services rendered to date, of $1,000,000 (the "Engagement Fee"), which amount was paid by the Company following the full execution of the Original Agreement.

Work Fee

b. a monthly work fee, payable in accordance with the following schedule (the "Work Fee"):

  i) $500,000, payable on August 1, 2019 and on September 2, 2019; and

  ii) $250,000, payable on the first business day of each month from October 2019 and thereafter,

  provided that the aggregate amount of Work Fee payable to Greenhill hereunder shall not exceed $1,500,000 unless otherwise agreed in writing by the Special Committee, of which $1,500,000 was paid the Company during the period that elapsed between the date of the Original Agreement and the date of this Agreement. For greater certainty, no further Work Fee is payable hereunder.

Opinion Fees

c. if Greenhill is asked to provide an Opinion in respect of any Transaction, an initial opinion fee of $750,000 (an "Initial Opinion Fee"); if Greenhill is asked to update the first Opinion after its delivery, or requested to provide another Opinion (in any case, a "Subsequent Opinion"), a subsequent opinion fee of $250,000 (a "Subsequent Opinion Fee"), provided, however, that the Subsequent Opinion Fee shall be $500,000 if:

i) the Subsequent Opinion is in respect of a different Transaction,

ii) the Subsequent Opinion involves valuing the non-cash consideration of a different bidder or a different merger proponent, or

iii) more than 60 days has elapsed since the delivery of the First Opinion;

d. the Initial Opinion Fee and any Subsequent Opinion Fee (in any case, an "Opinion Fee") shall be payable by the Company upon the earlier of: (i) such time as Greenhill delivers such Opinion; or (ii) such time as the Company (or the Special Committee or the Board) decides not to pursue the proposed Transaction following its consideration of analyses, advice or other information provided by Greenhill that includes an Opinion. No portion of any Opinion Fee shall be contingent upon the consummation of the Transaction or any conclusion set forth in any Opinion.

Transaction Fee

e. a fee in an amount equal to the sum of (a) $1,000,000 plus (b) 4.0% of the value of the consideration payable to the Company, its shareholders or creditors pursuant to any Transaction to the extent that value exceeds $45,000,000 (the "Transaction Fee"), which Transaction Fee shall be payable in respect of any Transaction that, during the term of this Agreement or within 12 months thereafter, is consummated or a definitive agreement is entered into that subsequently results in a Transaction.

For greater certainty, not more than one Transaction Fee will be payable under this Agreement.

Other Advisory Fee(s)

f. in the event Greenhill provides the Company (or the Special Committee or the Board) with additional financial advisory and investment banking services, which are outside of the services anticipated at the outset of this engagement, Greenhill will be entitled to be paid additional cash fees to be mutually agreed upon by the Company and Greenhill, acting reasonably and in good faith.

No fee payable to any other financial advisor by the Company or any other person in connection with the subject matter of this engagement shall reduce or otherwise affect any fee payable to Greenhill hereunder.

All fees will be payable in Canadian dollars and invoiced with applicable federal and provincial taxes.

3. In addition to any fees payable to Greenhill hereunder (and regardless of whether a Transaction is proposed or completed), the Company shall, at Greenhill's request, promptly

reimburse Greenhill for travel and other reasonable expenses incurred by Greenhill in connection with its engagement hereunder, including the fees (not to exceed $75,000 without the consent of the Special Committee, which consent shall not be unreasonably withheld) and expenses of legal counsel.

All such expenses will be reimbursed in Canadian dollars and invoiced with applicable federal and provincial taxes.

4. The Company hereby agrees to apply to the Superior Court of Justice (Commercial List) (the "Court") in the proceeding bearing Court File No. CV-20-00638930-00CL for an order or orders, in form and substance satisfactory to Greenhill, approving this agreement and the retention by the Special Committee of Greenhill under the terms of this engagement and provide for a priority court-ordered charge to secure any Transaction Fee that may become owing under this agreement (the "Charge"). In the event that the Court fails to grant the Charge, Greenhill reserves the right to immediately terminate this agreement.

5. Greenhill's engagement hereunder as financial advisor to the Special Committee will terminate on the date that is 12 months after the date hereof (unless extended by mutual written consent) and may be terminated earlier at any time by either party upon written notice to the other party; provided, however, that no such termination shall affect (i) the indemnification, contribution and confidentiality obligations provided herein, (ii) the right of Greenhill to receive any unpaid fees that become payable hereunder or fees that have accrued hereunder prior to such termination or (iii) the right of Greenhill to receive reimbursement for its expenses as described above.

6. The Company shall indemnify Greenhill and related persons in accordance with the indemnification letter attached hereto as Schedule A, the provisions of which are incorporated herein by reference in their entirety.

7. The Special Committee or the Company shall provide (and, if the Special Committee enters into negotiations with a potential participant in a Transaction, will request such potential participant to furnish) to Greenhill all financial and other information reasonably requested by it for the purpose of its assignment hereunder, including providing Greenhill with reasonable access to management and other representatives of the Company (and, if the Special Committee enters into negotiations with a potential participant regarding a potential Transaction, requesting that such potential participant provide Greenhill with reasonable access to management and other representatives of the potential acquiror). In performing its services hereunder (including, without limitation, in rendering any Opinion), Greenhill shall be entitled to rely upon and assume, without assuming any responsibility for independent verification, the accuracy and completeness of all information that is publicly available and all information that has been furnished to it by or on behalf of the Special Committee or the Company, any other potential participant in a Transaction or otherwise reviewed by Greenhill, and Greenhill shall not assume any responsibility or have any liability therefor. The Special Committee agrees that if it learns that any information furnished to Greenhill pursuant to this letter agreement was or becomes inaccurate, incomplete or misleading, the Special Committee shall promptly notify Greenhill in writing. Greenhill shall have no obligation to conduct any appraisal of any assets or liabilities. Greenhill does not provide accounting, tax, legal or regulatory advice. The Company agrees that it will be responsible for ensuring that any Transaction complies with applicable law.

Any financial advice rendered by Greenhill or its representatives pursuant to this letter agreement is intended solely for the benefit and use of the Special Committee and the Board, acting solely in their capacities as such, is not on behalf of, and shall not confer rights or remedies upon, any person other than the Special Committee and the Board, and may not be used or relied upon for any other purpose. No such financial advice (except as provided in the following sentence) or the terms of this letter agreement may be disclosed publicly in any manner without Greenhill's prior written consent, and all such advice and the terms of this letter agreement will be treated by the Special Committee and the Board as confidential. Greenhill understands that its Opinion may be reproduced in full in a proxy or information statement or similar disclosure document that is required to be filed under the federal securities laws and mailed to the Company's stockholders; provided that Greenhill has previously reviewed and approved the form and substance of all references to or descriptions of Greenhill or the Opinion in any such proxy or information statement or similar disclosure document. Greenhill shall have no responsibility for the form or content of any such disclosure document, other than the Opinion itself.

8. Following the public announcement of a Transaction, Greenhill may, at its own expense, place announcements or advertisements in financial newspapers, journals and marketing materials describing its services hereunder. If requested by Greenhill, the Company (or the Special Committee or the Board) shall include a mutually acceptable reference to Greenhill in any press release or other public announcement it makes in respect of a Transaction.

9. This letter agreement (including Schedule A) (a) shall be governed by and construed in accordance with the laws of the Province of Ontario, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof and no proceeding or claim related directly or indirectly to this letter agreement shall be commenced, prosecuted, pursued or continued in any court other than the courts of the Province of Ontario located in the City of Toronto, (b) incorporates the entire understanding of the parties with respect to the subject matter hereof and supersedes all previous agreements should they exist with respect thereto, (c) may not be amended or modified except in a writing executed by the Special Committee and Greenhill and (d) shall be binding upon and inure to the benefit of the Special Committee, the Company, Greenhill, the other Indemnified Parties (as defined in Schedule A) and their respective successors and assigns. The Special Committee (including on the Company's behalf and, to the extent permitted by applicable law, on behalf of the Company's affiliates, securityholders and creditors) and Greenhill agree to waive, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue of any such proceeding brought in any Ontario court specified in this paragraph and any claim that any such proceeding brought in any such court has been brought in an inconvenient forum and to waive all rights to trial by jury in any action, proceeding or counterclaim brought by or on behalf of either party with respect to any matter whatsoever relating to or arising out of any actual or potential Transaction or the engagement of or performance by Greenhill hereunder.

The Special Committee acknowledges that Greenhill, in rendering its services hereunder, is acting as an independent contractor with duties owing solely to the Special Committee, acting solely in its capacity as such, that nothing in this letter agreement is intended to confer upon any other person any rights or remedies hereunder or by reason hereof and that Greenhill is not assuming any duties or obligations other than those expressly set forth herein. Nothing in this letter agreement or the nature of Greenhill's services in connection with this engagement or otherwise shall be deemed to create a fiduciary duty or fiduciary or agency relationship between Greenhill or any of its affiliates, on the one hand, and the Special Committee, the Company or any of the Company's affiliates, securityholders, employees or creditors, on the other hand. Each of the Special Committee and the Company agrees that it shall not make, and hereby waives, any claim based on the assertion of such a fiduciary or agency relationship.

This letter agreement has been duly authorized and executed by the Special Committee, for itself and on behalf of the Company, and constitutes the legal, binding obligation of the Special Committee and the Company, enforceable in accordance with its terms. The invalidity or unenforceability of any provision of this letter agreement shall not affect the validity or enforceability of any other provision of this letter agreement, which shall remain in full force and effect.

If at any time during our engagement or thereafter you have any questions relating to billing or to regulatory compliance matters, you should contact Steve Mayer, President of Greenhill Canada.

This letter agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. Please confirm that the foregoing is in accordance with your understanding of our agreement by signing and returning to us a copy of this letter agreement.

Very best regards,

GREENHILL & CO. CANADA LTD.

By: ______________________________

Name: Steve Mayer

Title: President, Greenhill Canada

Accepted and agreed to as of
the date set forth above:

SPECIAL COMMITTEE OF THE BOARD OF DIRECTORS
CANNTRUST HOLDINGS INC.

By: ______________________________

Name: Mark Dawber

Title: Chairman of the Special Committee of the Board of Directors

SCHEDULE A

INDEMNIFICATION

The Company shall indemnify and hold harmless Greenhill, its affiliates and their respective officers, directors, members, partners, employees, agents, representatives and each other entity or person, if any, controlling Greenhill or any of its affiliates (collectively, the "Indemnified Parties") from and against any losses, claims, damages, demands and liabilities (collectively, "Liabilities") (or actions or proceedings in respect thereof), to which any of the Indemnified Parties may become subject related to or arising in any manner out of any activities performed or services furnished pursuant to the attached letter agreement, any matter contemplated thereby or an Indemnified Party's role in connection therewith, including prior to the date hereof (the "Indemnified Activities"), except to the extent a court of competent jurisdiction shall have determined by final non-appealable judgment that such Liabilities resulted directly from the gross negligence or willful misconduct of Greenhill in performing the services that are the subject of the attached letter agreement. In addition, the Company shall promptly reimburse the Indemnified Parties for all costs and expenses (including, without limitation, fees, costs and expenses of legal counsel), as incurred, in connection with (i) the investigation of, preparation for, responding to, serving as a witness in respect of, or defending, pursuing, settling or otherwise becoming involved in, any pending or threatened investigative, administrative, judicial, or regulatory or other claim, action or proceeding or any arbitration or investigation in any jurisdiction related to or arising in any manner out of any Indemnified Activities, whether or not in connection with pending or threatened litigation to which Greenhill (or any other Indemnified Party) or the Company or any of its securityholders is, or is threatened to be, a party (collectively, "Proceedings") and (ii) enforcing any Indemnified Party's right under the attached letter agreement (including this Schedule A).

Greenhill shall notify the Company after it becomes aware that a Proceeding has been commenced (by way of service with a summons or other legal process giving information as to the nature and basis of the claim) against an Indemnified Party in respect of which indemnity may be sought hereunder. In any event, failure to notify the Company shall not relieve the Company from any liability which the Company may have on account of this indemnity or otherwise, except to the extent the Company shall not otherwise have been aware of such Proceeding and the Company shall have been materially prejudiced with respect to the Proceeding by such failure. The Company shall not be liable for any settlement of any Proceeding effected by an Indemnified Party without the Company's written consent, which consent shall not be unreasonably withheld, but if settled in accordance herewith or if there is a judgment against an Indemnified Party, the Company agrees to indemnify the Indemnified Party from and against any Liability by reason of such settlement or judgment. Neither the Company nor any member of the Company's board of directors shall (a) settle, compromise, consent to the entry of a judgment in or otherwise seek to terminate any pending or threatened Proceeding in respect of which indemnity may be sought hereunder, whether or not any Indemnified Party is an actual or potential party to such Proceeding, or (b) participate in or facilitate any such settlement, compromise, consent or termination, including on behalf of the Company's board of directors (or a committee thereof), in each case without Greenhill's prior written consent, unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from all actual or potential Liabilities relating to the Indemnified Activities (such release to be set forth in an instrument signed by all parties to such settlement, compromise, consent or termination) and does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Indemnified Party.

The Company agrees that if any indemnification or reimbursement sought pursuant to this Schedule A were for any reason not to be available to any Indemnified Party or insufficient to hold it harmless as and to the extent contemplated by this Schedule A, then the Company shall contribute to the amount paid or payable by such Indemnified Party in respect of Liabilities and expenses in such proportion as is appropriate to reflect the relative benefits to the Company and its affiliates, their respective securityholders and creditors on the one hand, and such Indemnified Party on the other, in connection with the transactions contemplated by the attached letter agreement (whether or not consummated) or, if such allocation is not permitted by applicable law as determined by a court of competent jurisdiction by final non-appealable judgment, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company (and its affiliates, and their respective directors, employees, agents and other advisors) on the one hand and such Indemnified Party on the other hand, as well as any other equitable considerations. It is hereby agreed that the relative benefits to the Company and its affiliates and their respective securityholders and creditors and to the Indemnified Party with respect to transactions contemplated by the attached letter agreement shall be deemed to be in the same proportion as (i) the total value paid or received or contemplated to be paid or received by the Company and its affiliates and their respective securityholders and creditors pursuant to transactions contemplated by the attached letter agreement (whether or not consummated) bears to (ii) the fees paid to Greenhill under the attached letter agreement (excluding amounts received by Greenhill as reimbursement of expenses and amounts paid under this Schedule A). The relative fault of the Company and the Indemnified Party shall be determined by reference to, among other things, whether the statements, actions or omissions to act or any other alleged conduct were by the Company (or its affiliates or their respective directors, employees, agents or other advisors) or the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action or omission to act. In no event shall the Indemnified Parties be required to contribute or otherwise be liable for an amount in excess of the aggregate amount of fees actually received by Greenhill pursuant to the attached letter agreement (excluding amounts received by Greenhill as reimbursement of expenses and amounts paid under this Schedule A).

The Company further agrees that no Indemnified Party shall have any Liability (whether direct or indirect, in contract or tort or otherwise) to the Company or any person asserting claims on behalf of or in right of the Company for or in connection with Greenhill's engagement hereunder or the transactions contemplated by the attached letter agreement except to the extent a court of competent jurisdiction shall have determined by final non-appealable judgment that any Liability resulted directly from the gross negligence or willful misconduct of Greenhill in performing the services that are the subject of the attached letter agreement. The indemnity, reimbursement and contribution obligations of the Company shall be in addition to any liability which the Company may otherwise have to an Indemnified Party, shall not be limited by any rights that an Indemnified Party may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company or an Indemnified Party.

The indemnity, reimbursement and contribution provisions set forth herein shall remain operative and in full force and effect regardless of (i) any withdrawal, termination or consummation of or failure to initiate or consummate any transaction contemplated by the attached letter agreement, (ii) any investigation made by or on behalf of any party hereto or any person controlling any party hereto, (iii) any amendment or other modification or termination of the attached letter agreement or the completion of Greenhill's engagement and (iv) whether or not Greenhill shall, or shall not be called upon to, render any formal or informal advice in the course of such engagement.

This is **Exhibit "J"** referred to in the
affidavit of **GREG GUYATT**
sworn before me this
2nd day of June, 2021

A Commissioner for taking affidavits

Greenhill & Co. Canada Ltd.
79 Wellington Street West
Suite 3403, P.O. Box 333
Toronto, ON M5K 1K7
(416) 601-2560

Greenhill

CONFIDENTIAL

June 2, 2021

CannTrust Holdings Inc.
7300 Keele Street
Vaughan, Ontario

Attn: Mr. Greg Guyatt
Chief Executive Officer

Dear Greg:

We are writing with respect to our letter agreement, dated as of April 3, 2020 (the "Engagement Letter"), which provides for the engagement of Greenhill & Co. Canada Ltd. ("Greenhill") by CannTrust Holdings Inc. (the "Company") to act as a financial advisor to the Special Committee ("Special Committee") of the Company's Board of Directors (the "Board") in connection with the Special Committee's consideration of various strategic and business alternatives for the Company, which may include one or more potential Transactions. Capitalized terms used but not otherwise defined herein shall have the meaning assigned to such terms in the Engagement Letter.

The purpose of this letter (this "Amendment") is to amend terms of the Engagement Letter as set forth below.

1. All references to the "Special Committee" in the Engagement Letter are hereby replaced with the "Company."

2. Pursuant to Section 5 of the Engagement Letter, the parties acknowledge and agree that Greenhill's engagement as financial advisor to the Company is deemed mutually extended and the Engagement Letter shall be deemed to terminate on the date that is 12 months after the date hereof, unless again extended by mutual written consent; provided, however, that no such termination shall affect (i) the indemnification, contribution and confidentiality obligations provided in the Engagement Letter, (ii) the right of Greenhill to receive any unpaid fees that become payable under the Engagement Letter or fees that accrued under the Engagement Letter prior to such termination or (iii) the right of Greenhill to receive reimbursement for its expenses as described in the Engagement Letter.

3. Section 2(e) of the Engagement Letter is hereby amended such that the Transaction Fee shall be payable upon the earlier of public announcement of and execution of a definitive agreement with respect to a Transaction if the Company is subject to the Companies' Creditors Arrangement Act in the proceeding bearing Court File No. CV-20-00638930-00CL ("CCAA"); otherwise the Transaction Fee shall be payable in accordance with the terms of the Engagement Letter.

The Company hereby agrees to apply to the Court in the proceeding bearing Court File No. CV-20-00638930-00CL for an order or orders, in form and substance satisfactory to Greenhill, approving this Amendment and the continued retention by the Company of Greenhill under the terms of this Amendment and the Engagement Letter and provide for a priority court-ordered charge to secure any Transaction Fee that may become owing under the Engagement Letter and this Amendment (the "Charge"). In the event that the Court fails to grant the Charge, Greenhill reserves the right to immediately terminate the Engagement Letter as amended.

Except as expressly amended above by this Amendment, the parties acknowledge and agree that the Engagement Letter has continued to be effective since the date thereof and shall remain in full force and effect as amended hereby.

This Amendment shall be governed by the laws of the Province of Ontario, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof and no proceeding or claim related directly or indirectly to this Amendment shall be commenced, prosecuted, pursued or continued in any court other than the courts of the Province of Ontario located in the City of Toronto. This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

Please confirm that the foregoing is in accordance with your understanding of our agreement by signing and returning to us a copy of this Amendment.

Very best regards,

GREENHILL & CO. CANADA LTD.

By: ___________________________
Name: Michael Nessim
Title: Managing Director

Accepted and agreed to as of
the date set forth above:

CANNTRUST HOLDINGS INC.

By: ___________________________
Name: Greg Guyatt
Title: Chief Executive Officer

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF GREG GUYATT
(Sworn June 2, 2021)

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Toronto ON M5K 1E6
Fax: 416-868-0673

James Gage LSO#: 34676I
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Natasha Rambaran LSO#: 80200N
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Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

MT MTDOCS 41648132

Tab 3

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 9TH
	)	
MR. JUSTICE HAINEY	)	DAY OF JUNE, 2021

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

APPROVAL AND VESTING ORDER
(Sale of Highway 97 Property)

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order approving the sale transaction (the "**Transaction**") contemplated by the contract of purchase and sale (the "**Sale Agreement**") between CTI Holdings (Osoyoos) Inc. (the "**Vendor**") and Swaranjit Singh Chahal and Ravinder Kaur Chahal (the "**Purchasers**") dated May 11, 2021 and appended as Confidential Exhibit "G" to the Affidavit of Greg Guyatt sworn June 2, 2021 (the "**Guyatt Affidavit**"), and vesting in the Purchasers the Vendor's right, title and interest in and to the assets described in the Sale Agreement including, without limitation, the lands and premises municipally described as 7621 Highway 97, Oliver, British Columbia (the "**Purchased Assets**"), was heard this day by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the Guyatt Affidavit, the Twelfth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated June 2, 2021 (the "**Twelfth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record of the Applicants in support of this motion and the Twelfth Report is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF SALE AGREEMENT AND TRANSACTION

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Vendor is hereby authorized and approved. The Vendor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchasers, or as it may direct.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchasers substantially in the form attached as **Schedule "A"** hereto (the "**Monitor's Certificate**"), all of the Vendor's right, title and interest in and to the Purchased Assets described in the Sale Agreement, including without limitation the real property identified in **Schedule "B"** hereto (the "**Real Property**"), shall vest absolutely in the Purchasers, or as they may direct, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, leases, notices of lease, subleases, licenses, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute or contingent), obligations, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (British Columbia) or any other personal property registry system; and (ii) all court ordered charges granted in the Amended and Restated Initial Order dated April 9, 2020 made in these proceedings; (iii) all

encumbrances affecting or relating to the Purchased Assets (collectively, the "**Encumbrances**"), which Encumbrances this Court orders are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchasers (but which shall not include the statutory right of way listed on **Schedule "C"**).

4. **THIS COURT ORDERS** that upon the registration in the BC Land Titles of an Application for Vesting Order, the Land Registrar is hereby directed to enter the Purchasers as the owners of the subject Real Property identified in **Schedule "B"** hereto in fee simple.

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

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

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

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Vendor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Vendor;

the vesting of the Purchased Assets in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

SEALING

8. **THIS COURT ORDERS** that Confidential Exhibit “G” to the Guyatt Affidavit shall be and is hereby sealed, kept confidential and shall not form part of the public record unless and until the Monitor files the Monitor’s Certificate in accordance with paragraph 6 hereof.

GENERAL

9. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

10. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

11. **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 Vendor and 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 Vendor and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Vendor and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE "A"

FORM OF MONITOR'S CERTIFICATE

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 31, 2020, as amended, Ernst & Young Inc. was appointed as monitor (in such capacity, the "**Monitor**") of the Applicants.

B. Pursuant to an Order of the Court dated June 9, 2021, the Court approved the contract of purchase and sale made as of May 11, 2021 (the "**Sale Agreement**") between CTI Holdings (Osoyoos) Inc. (the "**Vendor**") and Swaranjit Singh Chahal and Ravinder Kaur Chahal (the "**Purchasers**") and provided for the vesting in the Purchasers of the Vendor's right, title and interest in and to the Property (defined in the Sale Agreement) including all of the lands and premises municipally described as 7621 Highway 97, Oliver, British Columbia (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchasers of a certificate confirming (i) the payment by the Purchasers of the purchase price for the Purchased Assets; (ii) that the terms and conditions to closing as set out in section 3 of the Sale Agreement have been satisfied or waived by the Vendor and the Purchasers, as applicable; and (iii) the transaction has been completed to the satisfaction of the Monitor.

C. The Monitor has been advised by the Vendor and/or the Purchasers, as applicable, that: (i) the Purchasers have paid and the Vendor has received the purchase price for the Purchased Assets pursuant to the Sale Agreement; (ii) the terms and conditions to closing as set out in section 3 of the Sale Agreement have been satisfied or waived by the Vendor and the Purchasers, as applicable; and (iii) aside from the delivery of this certificate, the transaction has been completed.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchasers have paid and the Vendor has received the purchase price for the Purchased Assets payable on the Completion Date pursuant to the Sale Agreement;

2. The terms and conditions to closing as set out in section 3 of the Sale Agreement have been satisfied or waived by the Vendor and the Purchasers, as applicable; and

3. The transaction has been completed to the satisfaction of the Monitor.

4. This Certificate was delivered by the Monitor at ___________ [TIME] on ___________ [DATE].

ERNST & YOUNG INC., solely in its capacity as court appointed monitor of the Applicants, and not in its personal capacity or in any other capacity

Per: ________________________________

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

7621 Highway 97, Oliver, British Columbia V0H 1T5

PID 002-841-258

LOT 23 DISTRICT LOT 2450S SIMILKAMEEN DIVISION YALE DISTRICT PLAN 1729

SCHEDULE "C"
PERMITTED ENCUMBRANCES FROM PID 002-841-258

Reg No.	Date	Instrument Type	Amount	Registered Owner
LA68885	2006-05-26	STATUTORY RIGHT OF WAY	N/A	FORTISBC INC.

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

APPROVAL AND VESTING ORDER
(Sale of Highway 97 Property)

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Suite 5300, TD Bank Tower
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James Gage LSO#: 34676I
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Lawyers for the Applicants

Tab 4

~~Revised: January 21, 2014~~

Court File No. ~~——~~CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	~~WEEKDAY~~WEDNESDAY, THE ~~#~~9TH
	)	
MR. JUSTICE ~~——~~HAINEY	)	DAY OF ~~MONTH~~JUNE, ~~20YR~~2021

~~B E T W E E N:~~

~~**PLAINTIFF**~~

~~Plaintiff~~

~~- and -~~

~~**DEFENDANT**~~

~~Defendant~~

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

APPROVAL AND VESTING ORDER
(Sale of Highway 97 Property)

THIS MOTION, made by ~~[RECEIVER'S NAME] in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor"~~the

2021 and appended as Confidential Exhibit "G" to the ~~Report~~Affidavit of ~~the Receiver dated [DATE]~~Greg Guyatt sworn June 2, 2021 (the ~~"Report"~~"**Guyatt Affidavit**"), and vesting in the ~~Purchaser~~Purchasers the ~~Debtor~~Vendor's right, title and interest in and to the assets described in the Sale Agreement including, without limitation, the lands and premises municipally described as 7621 Highway 97, Oliver, British Columbia (the "**Purchased Assets**"), was heard this day ~~at 330 University Avenue,~~by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the ~~Report~~Guyatt Affidavit, the Twelfth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated June 2, 2021 (the "**Twelfth Report**"), and on hearing the submissions of counsel for the ~~Receiver, [NAMES OF OTHER PARTIES APPEARING]~~Applicants, the Monitor and any such other counsel that were present as listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME] sworn [DATE]~~service, filed~~[1]~~:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record of the Applicants in support of this motion and the Twelfth Report is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF SALE AGREEMENT AND TRANSACTION

2. ~~1.~~ **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,~~[2]~~ and the execution of the Sale Agreement by the ~~Receiver[3]~~Vendor is hereby authorized

~~[1] This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

~~[2] In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

~~[3] In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

and approved~~, with such minor amendments as the Receiver may deem necessary~~. The ~~Receiver~~Vendor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the ~~Purchaser~~Purchasers, or as it may direct.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a ~~Receiver~~Monitor's certificate to the ~~Purchaser~~Purchasers substantially in the form attached as **Schedule "A"** hereto (the "~~Receiver'~~**Monitor's Certificate**"), all of the ~~Debtor~~Vendor's right, title and interest in and to the Purchased Assets described in the Sale Agreement ~~[and listed on~~ , including without limitation the real property identified in **Schedule "B"** hereto~~]~~[4] (the "**Real Property**"), shall vest absolutely in the ~~Purchaser~~Purchasers, or as they may direct, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, leases, notices of lease, subleases, licenses, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute or contingent), obligations, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"[5]), including, without limiting the generality of the foregoing: (i~~) any encumbrances or charges created by the Order of the Honourable Justice [NAME] dated [DATE]; (ii~~) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (British Columbia) or any other personal property registry system; and (ii) all court ordered charges granted in the Amended and Restated Initial Order dated April 9, 2020 made in these proceedings; (iii) ~~those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D)~~

[4] ~~To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

[5] ~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

~~and, for greater certainty, this Court orders that all of the Encumbrances~~all encumbrances affecting or relating to the Purchased Assets (collectively, the "**Encumbrances**"), which Encumbrances this Court orders are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchasers (but which shall not include the statutory right of way listed on **Schedule "C"**).

4. ~~3. THIS COURT ORDERS~~**THIS COURT ORDERS** that upon the registration in the ~~Land Registry Office for the [Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][~~BC Land Titles ~~Division of {LOCATION}~~ of an Application for Vesting Order ~~in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*]~~[6], the Land Registrar is hereby directed to enter the ~~Purchaser~~Purchasers as the ~~owner~~owners of the subject ~~real property~~Real Property identified in **Schedule "B"** hereto ~~(the "Real Property")~~ in fee simple~~, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto~~.

5. ~~4. THIS COURT ORDERS~~**THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds~~[7]~~ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the ~~Receiver~~Monitor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale~~[8]~~, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

[6] ~~Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

[7] ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

[8] ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

6. ~~5.~~ **THIS COURT ORDERS AND DIRECTS** the ~~Receiver~~Monitor to file with the Court a copy of ~~the Receiver~~Monitor's Certificate, forthwith after delivery thereof.

~~6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

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

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the ~~Debtor~~Vendor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the ~~Debtor~~Vendor;

the vesting of the Purchased Assets in the ~~Purchaser~~Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the ~~Debtor~~Vendor and shall not be void or voidable by creditors of the ~~Debtor~~Vendor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

SEALING

8. **THIS COURT ORDERS** ~~AND DECLARES~~ that ~~the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario)~~Confidential Exhibit "G" to the Guyatt Affidavit shall be and is hereby sealed, kept confidential and shall not form part of the public record unless and until the Monitor files the Monitor's Certificate in accordance with paragraph 6 hereof.

GENERAL

9. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

10. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

11. ~~9.~~ **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 ~~Receiver~~Vendor and ~~its~~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 ~~Receiver~~Vendor and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver~~Vendor and ~~its~~the Monitor and their respective agents in carrying out the terms of this Order.

~~Revised: January 21, 2014~~

~~Schedule A – Form of Receiver's Certificate~~SCHEDULE "A"

FORM OF MONITOR'S CERTIFICATE

Court File No. ~~__________~~CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

~~B E T W E E N:~~

~~**PLAINTIFF**~~

~~Plaintiff~~

~~- and -~~

~~**DEFENDANT**~~

~~Defendant~~

~~**RECEIVER**~~

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated ~~[DATE OF ORDER], [NAME OF RECEIVER]~~March 31, 2020, as amended, Ernst & Young Inc. was appointed as ~~the receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor")~~monitor (in such capacity, the "**Monitor**") of the Applicants.

B. Pursuant to an Order of the Court dated ~~[DATE]~~June 9, 2021, the Court approved the ~~agreement~~contract of purchase and sale made as of ~~[DATE OF AGREEMENT]~~May 11, 2021 (the "**Sale Agreement**") between ~~the Receiver [Debtor] and [NAME OF PURCHASER]~~CTI Holdings (Osoyoos) Inc. (the "**Vendor**") and Swaranjit Singh Chahal and Ravinder Kaur Chahal (the "~~Purchaser~~**Purchasers**") and provided for the vesting in the ~~Purchaser~~Purchasers of the ~~Debtor~~Vendor's right, title and interest in and to the Property (defined in the Sale Agreement) including all of the lands and premises municipally described as 7621 Highway 97, Oliver, British Columbia (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the ~~Receiver~~Monitor to the ~~Purchaser~~Purchasers of a certificate confirming (i) the payment by the ~~Purchaser~~Purchasers of the ~~Purchase Price~~purchase price for the Purchased Assets; (ii) that the terms and conditions to ~~Closing~~closing as set out in section ~~●~~3 of the Sale Agreement have been satisfied or waived by the ~~Receiver~~Vendor and the ~~Purchaser~~Purchasers, as applicable; and (iii) the ~~Transaction~~transaction has been completed to the satisfaction of the ~~Receiver~~Monitor.

~~C~~

C. The Monitor has been advised by the Vendor and/or the Purchasers, as applicable, that: (i) the Purchasers have paid and the Vendor has received the purchase price for the Purchased Assets pursuant to the Sale Agreement; (ii) the terms and conditions to closing as set out in section 3 of the Sale Agreement have been satisfied or waived by the Vendor and the Purchasers, as applicable; and (iii) aside from the delivery of this certificate, the transaction has been completed.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE ~~RECEIVER~~MONITOR CERTIFIES the following:

1. The ~~Purchaser has~~Purchasers have paid and the ~~Receiver~~Vendor has received the ~~Purchase Price~~purchase price for the Purchased Assets payable on the ~~Closing~~Completion Date pursuant to the Sale Agreement;

2. The terms and conditions to ~~Closing~~closing as set out in section ~~●~~3 of the Sale Agreement have been satisfied or waived by the ~~Receiver~~Vendor and the ~~Purchaser~~Purchasers, as applicable; and

3. The ~~Transaction~~transaction has been completed to the satisfaction of the ~~Receiver~~Monitor.

4. This Certificate was delivered by the ~~Receiver~~Monitor at ____________ [TIME] on ____________ [DATE].

~~[NAME OF RECEIVER],~~ERNST & YOUNG INC., solely in its capacity as **~~Receiver~~**court appointed monitor of the **~~undertaking, property and assets of [DEBTOR]~~**Applicants, and not in its personal capacity or in any other capacity

Per: ______________________________

Name:

Title:

~~**Schedule B – Purchased Assets**~~

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

7621 Highway 97, Oliver, British Columbia V0H 1T5

PID 002-841-258

LOT 23 DISTRICT LOT 2450S SIMILKAMEEN DIVISION YALE DISTRICT PLAN 1729

~~Schedule C – Claims to be deleted and expunged from title to Real Property~~

~~Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property~~

~~(unaffected by the Vesting Order)~~

SCHEDULE "C"
PERMITTED ENCUMBRANCES FROM PID 002-841-258

Reg No.	Date	Instrument Type	Amount	Registered Owner
LA68885	2006-05-26	STATUTORY RIGHT OF WAY	N/A	FORTISBC INC.

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

APPROVAL AND VESTING ORDER
(Sale of Highway 97 Property)

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Natasha Rambaran LSO#: 80200N
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Lawyers for the Applicants

Tab 5

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 9TH
	)	
MR. JUSTICE HAINEY	)	DAY OF JUNE, 2021

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

ORDER
(Financial Advisor Amendment)

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order approving the amendment letter between Greenhill & Co. Canada Ltd. (the "**Financial Advisor**") and the Applicants dated as of June 2, 2021 (the "**Financial Advisor Amendment**") was heard this day by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the Affidavit of Greg Guyatt, sworn June 2, 2021, the Twelfth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated June 2, 2021 (the "**Twelfth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record of the Applicants in support of this motion and the Twelfth Report is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF FINANCIAL ADVISOR AMENDMENT

2. **THIS COURT ORDERS** that the Financial Advisor Amendment, the execution of the Financial Advisor Amendment by the Applicants, *nunc pro tunc*, and the continued appointment of the Financial Advisor pursuant to the terms of the engagement letter between the Financial Advisor and the Applicants dated as of April 3, 2020 (the "**Financial Advisor Engagement Letter**"), as amended by the Financial Advisor Amendment, is hereby approved, including, without limitation, the payment of the fees and expenses contemplated thereby.

3. **THIS COURT ORDERS** that, with effect from and after the date of this Order, paragraphs 46, 47 and 50 of the Amended and Restated Initial Order made in these proceedings and dated April 9, 2020 shall be amended and restated as follows:

> 46. **THIS COURT ORDERS** that the obligations of the Applicant to the Financial Advisor pursuant to the Financial Advisor Engagement Letter as amended by the amendment letter between Greenhill & Co. Canada Ltd. (the "**Financial Advisor**") and the Applicants dated as of June 2, 2021 (the "**Financial Advisor Amendment**") shall be treated as unaffected and may not be compromised in any Plan or proposal filed under the BIA in respect of the Applicants.
>
> 47. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO, the Financial Advisor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and in the case of the CRO in accordance with the CRO Engagement Letter, and in the case of the Financial Advisor in accordance with the Financial Advisor Engagement Letter as amended by the Financial Advisor Amendment, by the Applicants as part of the costs of these proceedings. The Applicants are hereby. authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO, the Financial Advisor and counsel for the

Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, the CRO and counsel to the Applicants, retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

50. **THIS COURT ORDERS** that the Financial Advisor shall be entitled to the benefit of and is hereby granted a charge (the "**Transaction Fee Charge**") on the Property, as security for the Transaction Fee (as defined the Financial Advisor Engagement Letter as amended by the Financial Advisor Amendment). The Transaction Fee Charge shall have the priority set out in paragraphs 57 and 59 hereof.

GENERAL

4. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

5. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

6. **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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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 CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced at Toronto

ORDER
(Financial Advisor Amendment)

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANNTRUST HOLDINGS INC. ET AL.

Court File No: CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

MOTION RECORD

(Sale of Hwy 97 Property and Financial Advisor Amendment)
(Returnable June 9, 2021)

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