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

FIFTEENTH REPORT OF THE MONITOR

Dated November 25, 2021

INTRODUCTION

1. On March 31, 2020 (the "**Filing Date**"), the Court granted an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") that, among other things, appointed Ernst & Young Inc. as monitor of the Applicants (in such capacity, the "**Monitor**"), approved a stay of proceedings until and including April 9, 2020 (the "**Stay Period**"), granted certain Court-ordered charges, and approved FTI Consulting Canada Inc. continuing to act as Chief Restructuring Officer (the "**CRO**") of the Applicants. In addition, the Initial Order granted a limited stay of proceedings during the Stay Period in favour of O Cannabis We Stand on Guard For Thee Corporation, Cannatrek Ltd., Elmcliffe Investments [No. 2] Inc. and Cannabis Coffee and Tea Pod Company Ltd. staying any rights arising out of, related to, or triggered by the insolvency of any of the Applicants or the commencement of these proceedings (the "**CCAA Proceedings**").

2. On April 9, 2020, the Court granted an order (the "**Amended and Restated Initial Order**") that, amongst other things:

   a) extended the Stay Period to July 5, 2020;

b) increased the maximum amount of each of the Administration Charge, the Directors' Charge and the Intercompany Charge, as defined in the Initial Order;

c) 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**") and granted the Transaction Fee Charge (as defined in the Amended and Restated Initial Order);

d) approved the Key Employee Retention Plan (the "**KERP**") and granted the KERP Charge (as defined in the Amended and Restated Initial Order); and

e) approved a limited stay of proceedings in respect of various current and former directors, officers and employees of the Applicants, and the auditors, certain underwriters and certain selling shareholders that are currently named, in addition to the Applicants, as defendants in the Canadian Class Actions, the Zola Action, the US Class Actions and the Construction Action, all as defined in the initial affidavit of Greg Guyatt dated March 31, 2020.

3. The Stay Period has been further extended pursuant to orders of the Court dated July 2, 2020, October 28, 2020, January 29, 2021, April 30, 2021, June 24, 2021, and August 23, 2021, and currently runs until and including December 31, 2021.

4. On April 16, 2021, the Court granted an order (the "**Meeting Order**"), among other things, authorizing CannTrust Holdings Inc., CannTrust Inc. and Elmcliffe Investments Inc. (collectively, the "**CannTrust Plan Companies**") to call, hold and conduct meetings of their creditors (the "**Meetings**") to vote on their plan of compromise, arrangement and reorganization (as amended, the "**CCAA Plan**").

5. On April 30, 2021, the Court granted an order (the "**DIP Approval Order**"), among other things, authorizing the Applicants 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 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**"), sealing the unredacted version of the DIP Term Sheet and granting a charge over the Applicants' property in respect of these borrowings.

6. The Meetings were held on May 28, 2021, for all Affected Creditors, and the CCAA Plan was approved by each class of Affected Creditors in accordance with the Meeting Order. The CannTrust Plan Companies brought a motion for the Court to sanction the CCAA Plan, which was heard on June 11, 2021, and June 17, 2021. On June 24, 2021, the Honourable Mr. Justice Pattillo issued an endorsement dismissing the motion to sanction the CCAA Plan with leave to bring the motion again once certain issues identified in the endorsement had been addressed and, in the interim, extending the Stay Period to July 30, 2021.

7. The Applicants amended the CCAA Plan to address the issues raised in Justice Pattillo's endorsement. The fourth amended and restated plan of compromise, arrangement and reorganization of the CannTrust Plan Companies dated July 7, 2021 (the "**Fourth A&R CCAA Plan**") was sanctioned by the Court on July 16, 2021 (the "**Sanction Order**").

8. The CannTrust Plan Companies have been working to satisfy conditions to implement the Plan.

PURPOSE

9. The purpose of the Fifteenth report of the Monitor (the "**Fifteenth Report**") is to report to the Court on:

    a) the contract of purchase and sale (the "**296th Avenue Sale Agreement**") between 1320202 B.C. Ltd as purchaser (the "**Purchaser**") and CTI as vendor (the "**Vendor**"), for the property municipally known as 8707 296th Avenue, Osoyoos, British Columbia and bearing Parcel Identifier (PID) number 007-861-940 and 011-259-540 (the "**296th Avenue Properties**");

    b) the Monitor's recommendation with respect to the Applicants' motion for an order (the "**296th Avenue Sale Approval Order**") approving the sale transaction contemplated in the 296th Avenue Sale Agreement (the "**296th Avenue Transaction**") and the execution of the 296th Avenue Sale Agreement by CTI and vesting the 296th Avenue Properties in the Purchaser.

TERMS OF REFERENCE

10. In preparing this Fifteenth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants, discussions with management of the Applicants ("**Management**"), and information from other third-party sources (collectively, the "**Information**").

11. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Canadian auditing standards ("**CAS**") or any other standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS or any other standards in respect of the Information.

12. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Fifteenth Report concerning the Applicants and their business is based on the Information, and not independent factual determinations made by the Monitor.

13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

14. All court documents and materials related to these CCAA Proceedings have been posted on the Monitor's website at www.ey.com/ca/canntrust (the "**Monitor's Website**").

15. This Fifteenth Report should be read together with the affidavit of David Blair dated November 24, 2021, in connection with the proposed 296th Avenue Sale Approval Order (the "**Blair Affidavit**").

PROPOSED APPROVAL AND VESTING ORDER

Background

16. CTI is a wholly-owned subsidiary of CannTrust Inc. ("**CannTrust Opco**") and is an Applicant in these CCAA Proceedings. CTI is not one of the CannTrust Plan Companies that is proposing the CCAA Plan as it did not have any claims asserted against it in the claims procedure approved by this Court that would be compromised pursuant to the CCAA Plan.

17. The 296th Avenue Properties are two of four parcels of land in Osoyoos and Oliver, BC, purchased by CTI in March 2019 (the "**BC Lands**") with the intent to utilize these lands for outdoor cultivation of cannabis for the Applicants' extraction-based products. The four parcels collectively span 81 acres. Two parcels have been sold and were approved by this Court on June 10, 2021 and July 7, 2021. Copies of the respective sale approval and vesting orders have been attached to the Blair Affidavit. The 296th Avenue Properties are the remaining two parcels, with a combined area of 54 acres. The declared value at the time the 296th Avenue Properties were acquired by CTI in March 2019 was $3,263,999 for both parcels.

18. The BC Land is zoned for agricultural use. The Applicants needed to obtain a license from Health Canada (a "**Cannabis License**"), pursuant to the *Cannabis Act* and related regulations, in order to plant or cultivate cannabis on the BC Lands.

19. CannTrust Opco did begin the application process for a Cannabis License with respect to the BC Lands but postponed and then subsequently withdrew its applications following its regulatory challenges that arose in June and July 2019.

20. Since the BC Lands were purchased by CTI, CannTrust Opco had hired a few employees to manage the BC Lands and had purchased or leased equipment to prepare the land for cultivation. However, the 296th Avenue Properties were not developed further in any significant manner since the acquisition, and no operations were ever commenced on the premises.

21. In or around January 2021, the Applicants decided that outdoor growing on the BC Lands was no longer part of their go-forward business plan and began soliciting real estate brokers to list the BC Lands for sale.

Sales and Marketing Process

22. The Applicants engaged Colliers International ("**Colliers**") to assist with listing the BC Lands for sale. Colliers initially listed the BC Lands on the South Okanagan Real Estate Board MLS on March 3, 2021 as a single portfolio sale for $5,750,000.

23. As a result of the COVID-19 pandemic, Colliers' marketing campaign has been solely digital. As outlined in the marketing report of Colliers dated November 23, 2021 ("**Marketing Report**"), Colliers created marketing materials and initiated several outreach methods, including an email marketing campaign, direct contact, and listing on CollliersCanada.com and UniqueProperties.ca. According to Colliers, a marketing email was sent to over 2,500 active owner-occupiers, investors, and corporations within the investment and agricultural sector. In addition, 95 prospects were personally and directly contacted. A copy of the Marketing Report is attached as **Appendix "A"** to this Fifteenth Report.

24. By mid-April 2021, it was decided by the Applicants, based on advice from Colliers, that an overall better value for the BC Lands would be received if the BC Lands were sold in separate lots rather than as a portfolio sale, with the exception of the 296th Avenue Properties, which are two contiguous but separate titles that would be sold together. On April 30, 2021, the BC Lands, including the 296th Avenue Properties, were listed separately on the South Okanagan Real Estate Board MLS. The 296th Avenue Properties were listed at $3,775,000.

25. On July 19, 2021, due to the lower price point and affordability that two individual titles offer over the combined package, the two parcels were relisted separately, at a slightly decreased price of $1,450,000 and $2,229,000, respectively.

26. As outlined in the Marketing Report, four potential purchasers toured the 296th Avenue Properties.

27. On August 18, 2021, an initial offer was received from the Purchaser. As a result of concerns with respect to environmental contamination, there were several negotiations between the Purchaser and CTI. The result of these negotiations is the 296th Avenue Sale Agreement dated October 8, 2021, which is **Exhibit "K"** to the Blair Affidavit and reproduced here in this Fifteenth Report as **Appendix "B"**.

296th Avenue Sale Agreement

28. The 296th Avenue Sale Agreement is based on the standard form template created by the British Columbia Real Estate Association. The Purchaser is a British Columbia numbered corporation that is unrelated to the Applicants. The following is an outline of the material terms of the 296th Avenue Sale Agreement:

a) the 296th Avenue Properties are being purchased on an 'as is' basis;

b) the 296th Avenue Sale Agreement was conditional on the following, which were inserted for the benefit of the Purchaser: (i) the Purchaser's review and approval of a Phase 1 environmental assessment; and (ii) the Purchaser being satisfied with its review of a feasibility study for the purchase and development of the 296th Avenue Properties;

c) the 296th Avenue Sale Agreement is conditional on the following, which were inserted for the benefit of CTI: (i) approval of the 296th Avenue Sale Agreement by the Monitor; (ii) approval of the 296th Avenue Sale Agreement by the DIP Lender, and (iii) an approval and vesting order being issued by this Court;

d) CTI is required to notify the Purchaser that the conditions have been satisfied or waived on or before 5:00 p.m., three calendar weeks following Buyer Subject Removal; otherwise, the 296th Avenue Sale Agreement would be null and void. "**Buyer Subject Removal**" is the due diligence process performed by the Purchaser to satisfy or waive the terms and conditions listed on the 296th Avenue Sale Agreement. The Buyer Subject Removal date was November 16, 2021. Accordingly, CTI must satisfy or waive the remaining conditions by December 7, 2021; and

e) the completion date is set for December 15, 2021.

29. The Monitor has reviewed the 296th Avenue Sale Agreement and believes that the terms and purchase price of $2,800,000 are reasonable as:

a) the sales and marketing efforts of Colliers were reasonable in reaching potential purchasers of a property of this size, location and usefulness;

b) the purchase price is reasonable and within the current market value; and

c) other than the conditions for the Monitor, the DIP Lender and Court approval, there are no remaining conditions that are required by CTI or the Purchaser that would cause the 296th Avenue Transaction to not be completed as proposed.

CONCLUSIONS AND RECOMMENDATIONS

30. For the reasons stated herein, the Monitor recommends that the Court grant the 296th Avenue Sale Approval Order, should the Court see fit to do so.

All of which is respectfully submitted this 25 day of November 2021.

ERNST & YOUNG INC., in its capacity
as Monitor of the Applicants, and not in
its corporate or personal capacity.
per:

Alex Morrison, CPA, CA, CIRP, LIT
Senior Vice President

Karen Fung, CPA, CA, CIRP, LIT
Vice President

APPENDIX "A"

MARKETING SUMMARY

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

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

November 23, 2021

Delivered via email: dblair@canntrust.ca

Dear David:

Re: 8707 296th Avenue, Osoyoos 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 8707 296th Avenue, British Columbia (the "Property").

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. 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.

Although we had several inquiries on the portfolio, a satisfactory offer was not forthcoming and we elected to place the properties on the market on an individual basis, with the exception of 8707 which consists of two contiguous but separate titles.

The properties were listed on an individual basis on April 30, 2021. The new listing price for each individual property were as follows:

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

As outlined 8707 consists of two legal contiguous but separate titles. Given the lower price point and affordability that twoindividual titles offer over the combined package, we re-launched the properties as two separate listings when sufficient demand for the combined properties was not realized. The properties were re-launched on July 19th, 2021 along with a small price decrease:

- 8707 296th Avenue: $1,450,000
- 296th Avenue: $2,229,000

Each MLS property listing made reference to the availability of the other, linking both listings to each other further maximizing exposure.

The marketing team consists of Alan L.Johnson and Bianca Gilbert 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.

Webpage Statistics for preceding 90 days

PROPERTY	MLS VIEWS	COLLIERS CANADA VIEWS	UNIQUE PROPERTIES VIEWS
8707 296 Avenue	277)	250	210 (combined)
Lot 407 296th Avenue	112		

3. **Email Marketing:** Three 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.

4. **Direct Contact**: We have been in personal and direct contact with an estimated 95 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 that included paid Facebook ad placements.

6. **Tours:** A total of 4 tours have come through the site to date which included Realtors and their clients.

MARKETING REPORT
Real Estate Board: South Okanagan Real Estate Board

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

Second List Date: April 30, 2021
Individual Property List Prices:
- 7621 Highway 97: $1,075,000 (Sold)
- 894 Juniper Road: $1,050,000 (Sold)

- 8707 296 Avenue: $3,775,000

Third List Date: July 19th, 2021

- 8707 296th Avenue: $1,450,000
- 296th Avenue: $2,229,000

Offers:

An offer was received from the end Buyer on August 18, 2021 for $2,700,000. This included a Buyer Subject for completion of an environmental review. The Vendor was in possession of a Phase 1 Environmental report completed on the property in March 2019, the time of the Vendor's purchase. The Vendor countered the Buyer's offer to $3.2M and sent the environmental report to the Buyer along with the counteroffer.

The environmental report (the "Report") in the Vendor's possession indicated small amount of contamination which warranted the possibility of a Phase 2 environmental to be completed. This caused significant apprehension from the Buyer. The Buyer verbally suggested a counteroffer with a purchase price of $2.6M with Buyer Subjects to include "completion of a Phase II Environmental". This structure could potentially cause significant delay in the deal and was seen as risky to the agents and the Vendor.

Upon further discussion with McElhanney Ltd., the environmental group that completed the first Report, it was determined the soil sampling that was used for the Report was taken by an individual unqualified to sample soil. This rendered the Report inconclusive, and the listing team recommended the Vendor commission a new Phase 1. Keystone Environmental was contracted out to perform the new Phase 1, to which a work proposal was presented to the Vendor from Keystone on September 29th, 2021. A work agreement was accepted between the Vendor and Keystone on October 3, 2021.

Conversations with the end Buyer were ongoing throughout this process. The end Buyer submitted a new offer on September 23rd, 2021 for $2,800,000 with 30 days for subjects, or within seven (7) days of receipt of the Phase 1 environmental. The Vendor countered the Buyer's offer, accepting the price and material terms of the offer, with the addition of a 72-hour shotgun clause (the "Shotgun Clause"). The Shotgun Clause allowed both parties to continue with the deal as agreed, however if a bona fide third party offered on the Property during the Buyer's subject period, on terms more acceptable to the Seller at the Seller's discretion, the Buyer would have 72 hours to lift their subjects. This gave the Vendor added flexibility and power to source a deal. This counteroffer was accepted on October 15, 2021.

The listing team formally dropped the price on the properties in an attempt to source a new buyer in the case the current deal collapsed:

- 8707 296th Avenue: $1,450,000 to $1,240,000
- 296th Avenue: $2,229,000 to $1,749,000

The listing team made direct calls to other prospective buyers and groups that had previously inquired on the property. Of all calls made, one group showed initial interest, but did not end up pursuing the property. Notably, there was very little interest in the property since Summer. This may be in part due to the wildfire situation in the Okanagan, and the severe weather storms now encompassing the area.

Conclusion

We believe the current offer 8707 296th Avenue is well within the market value and recommend proceeding with the sale. The Property has had reasonable and adequate exposure on the MLS, ColliersCanada, and UniqueProperties and, following Summer, there has been limited interest in either property. Buyer interest typically fluctuates significantly in the BC Interior throughout the year, and should this deal collapse, we believe interest will not pick up again until early 2022.

Sincerely,

COLLIERS INTERNATIONAL

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

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

APPENDIX "B"

296TH AVENUE SALE AGREEMENT

CONTRACT OF PURCHASE AND SALE FOR COMMERCIAL REAL ESTATE

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:** (Clauses 6.1 and 17) 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 or Sunday 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:** (Clauses 7.1 and 18) 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. **ADJUSTMENT:** (Clauses 8.1 and 19) The Buyer and Seller should consider any additional adjustments that are necessary given the nature of the Property and how any costs are payable by tenants and whether the Seller holds any of the tenant's funds with respect to such costs.

6. **TITLE:** (Clause 22) 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 Clause 22 and Schedule 22, 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.

7. **CUSTOMARY COSTS:** (Clause 31) 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:
   - discharge fees charged by encumbrance holders,
   - prepayment penalties.
   Real Estate Commission (plus GST).
   Goods and Services Tax (if applicable).

   DS DB

   Costs to be Borne by the Buyer
   Lawyer or Notary Fees and Expenses:
   - searching title,
   - investigating title,
   - drafting documents.
   Land Title Registration fees.
   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.
   Goods and Services Tax (if applicable).

   DS

   In addition to the above costs there maybe financial adjustments between the Seller and the Buyer pursuant to Clause 19.

8. **RISK:** (Clause 32) The Buyer should arrange for insurance to be effective as of 12:01 am on the earlier of the Completion Date. The Seller should maintain the Seller's insurance in effect until the later of the date the Seller receives the proceeds of sale, or the date the Seller vacates the property.

9. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold commercial real estate. If your transaction involves:
   - a building under construction
   - an operating business with or without employees being hired
   - a sale and purchase of shares in the owner of the Property
   - the purchase of a leasehold interest
   - other special circumstances

   additional provisions, not contained in this form, may be needed, and professional advice should be obtained.

BCrea THE CANADIAN BAR ASSOCIATION British Columbia Branch

CONTRACT OF PURCHASE AND SALE FOR COMMERCIAL REAL ESTATE

MLS® NO: DATE: October 8, 2021

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

PART 1 - INFORMATION SUMMARY

1.	**Prepared By**		
1.1	Name of Brokerage Colliers		
1.2	Brokerage Address 200 GRANVILLE STREET, 19TH FLOOR Vancouver BC V6C 2R6		
1.3	REALTOR®'s Name Alan Johnson & Bianca Gilbert	Phone No.	
1.4	Personal Real Estate Corporation		
1.5	REALTOR®'s Email Address alan.johnson@colliers.com	Fax No.	
1.6	Brokerage Phone No. (604) 681-4111	Fax No.	
2.	**Parties to the Contract**		
2.1	Seller CTI HOLDINGS (OSOYOOS) INC. Seller		
2.2	Seller's Address 3280 LANGSTAFF ROAD		
2.3	Seller's Phone No.	Fax No.	
2.4	Seller's Email Address		
2.5	Seller's Incorporation No.	**2.6** Seller's GST No.	
2.7	Buyer 1320202 B.C. Ltd. Buyer		
2.8	Buyer's Address 9785 201 Street Langley BC V1M 3E7		
2.9	Buyer's Phone No. 604.362.0744	Fax No.	
2.10	Buyer's Email Address grai@lorval.ca		
2.11	Buyer's Incorporation No.	**2.12** Buyer's GST No.	
3.	**Property**		
3.1	Civic Address of Property 8707 296th Avenue Osoyoos BC V0H 1V7		
3.2	Legal Description of Property LOT 407 DISTRICT LOT 2450S SIMILKAMEEN DIVISION YALE DISTRICT PLAN 1957 EXCEPT PLAN 14139 LOT 664, PLAN KAP2066, DISTRICT LOT 2450S, SIMILKAMEEN DIV OF YALE LAND DISTRICT PID 007-861-940 / 011-259-540		
4.	**Purchase Price**	$ 2,800,000.00	**Clause**
4.1	Two Million Eight Hundred Thousand Dollars		14

INITIALS DS DS DB

8707 296th Avenue Osoyoos BC V0H 1V7

PROPERTY ADDRESS

		Clause
5.	**Deposit**	**Clause**
5.1	Deposit To Be Provided By The Following Date: ☐ within 48 hours of acceptance of offer or counter-offer ☐ Date ☒ other At subject removal	15
5.2	Amount of Deposit $ 100,000.(One Hundred Thousand	15
5.3	Deposit To Be Paid In Trust To Colliers	15
6.	**Completion Date**	
6.1	Completion Date December 15, 2021	17
7.	**Possession Date**	
7.1	Possession Date December 16 2021	18
7.2	Vacant Possession Yes ☒ No ☐ — 7.3 All Existing Tenancies Yes ☐ No ☐	18
8.	**Adjustment Date**	
8.1	Adjustment Date December 16, 2021	19
9.	**Viewing Date**	
9.1	Viewing Date Not applicable	21
10.	**Agency Disclosure**	
10.1	Seller's Designated Agent REALTOR® Alan L. Johnson REALTOR® Bianca Gilbert Brokerage Colliers	38A
10.2	Buyer's Designated Agent REALTOR® Disclosure of Unrepresented Party attached REALTOR® Brokerage	38B
10.3	Limited Dual Agency Designated Agent REALTOR® REALTOR® Brokerage	38C
10.4	Date of Limited Dual Agency Agreement	38C
11.	**Acceptance**	
11.1	Offer Open Until - Date October 15, 2021 Time 5 o'clock pm m	43
12.	**Schedules**	

15	Deposit	Attached Yes ☐ No ☒	15
16A	Buyer's Conditions	Attached Yes ☒ No ☐	16
16B	Seller's Conditions	Attached Yes ☒ No ☐	16
18	Accepted Tenancies	Attached Yes ☐ No ☒	18
20A	Additional Included Items	Attached Yes ☐ No ☒	20
20B	Excluded Items	Attached Yes ☐ No ☒	20
22	Additional Permitted Encumbrances	Attached Yes ☐ No ☒	22
23	Additional Seller's Warranties and Representations	Attached Yes ☐ No ☒	23
24	Additional Buyer's Warranties and Representations	Attached Yes ☐ No ☒	24
41	Additional Terms	Attached Yes ☒ No ☐	41

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PART 2 - TERMS

13. **INFORMATION SUMMARY:** The Information Summary being Part 1 to this Contract of Purchase and Sale for Commercial Real Estate and the Schedules attached to this Contract of Purchase and Sale for Commercial Real Estate, form an integral part of this offer. The Seller and Buyer acknowledge that they have read all of Part 1 and Part 2 and the Schedules to this Contract of Purchase and Sale for Commercial Real Estate.

14. **PURCHASE PRICE:** The purchase price of the Property will be the amount set out in Clause 4.1 (Purchase Price).

15. **DEPOSIT:** A deposit in the amount set out in Clause 5.2 which will form part of the Purchase Price, will be paid in accordance with Clause 26 except as otherwise set out in Schedule 15 and on the terms set out in Schedule 15. All monies paid pursuant to this Clause (the "Deposit") will be delivered in trust to the party identified in Clause 5.3 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.

16. **CONDITIONS:** The obligations of the Buyer described in this Contract are subject to the satisfaction or waiver of the conditions precedent set out in Schedule 16A, if any (the "Buyer's Conditions"). The Buyer's Conditions are inserted for the sole benefit of the Buyer. The satisfaction or waiver of the Buyer's Conditions will be determined in the sole discretion of the Buyer and the Buyer agrees to use reasonable efforts to satisfy the Buyer's Conditions. The Buyer's Conditions may only be satisfied or waived by the Buyer giving written notice (the "Buyer's Notice") to the Seller on or before the time and date specified for each condition. Unless each Buyer's Condition is waived or declared fulfilled by delivery of the Buyer's Notice to the Seller on or before the time and date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

    The obligations of the Seller described in this Contract are subject to the satisfaction or waiver of the conditions precedent set out in Schedule 16B, if any (the "Seller's Conditions"). The Seller's Conditions are inserted for the sole benefit of the Seller. The satisfaction or waiver of the Seller's Conditions will be determined in the sole discretion of the Seller and the Seller agrees to use reasonable efforts to satisfy the Seller's Conditions. These conditions may only be satisfied or waived by the Seller giving written notice (the "Seller's Notice") to the Buyer on or before the time and date specified for each condition. Unless each Seller's Condition is waived or declared fulfilled by delivery of the Seller's Notice to the Buyer on or before the time and date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

17. **COMPLETION:** The sale will be completed on the date specified in Clause 6.1 (Completion Date) at the appropriate Land Title Office.

18. **POSSESSION:** The Buyer will have possession of the Property at the time and on the date specified in Clause 7.1 (Possession Date) with vacant possession if so indicated in Clause 7.2, or subject to all existing tenancies if so indicated in Clause 7.3; or subject to the specified tenancies set out in Schedule 18, if so indicated in Clause 12 (if Clause 7.3 or 12 is selected, such tenancies shall be the "Accepted Tenancies").

19. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel, utilities, insurance, rents, tenant deposits including interest, prepaid rents, 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 date specified in Clause 8.1 (the "Adjustment Date").

20. **INCLUDED ITEMS:** The Purchase Price includes the Accepted Tenancies, any buildings, improvements, fixtures, appurtenances and attachments thereto, and all security systems, security bars, blinds, awnings, 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, together with those items set out in Schedule 20A but excluding those items set out in Schedule 20B.

21. **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 the date specified in Clause 9.1.

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22. **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, the Accepted Tenancies and any additional permitted encumbrances set out in Schedule 22.

23. **ADDITIONAL SELLER'S WARRANTIES AND REPRESENTATIONS:** In addition to the representations and warranties set out in this Contract, the Seller makes the additional representations and warranties set out in Schedule 23 to the Buyer.

24. **ADDITIONAL BUYER'S WARRANTIES AND REPRESENTATIONS:** In addition to the representations and warranties set out in this Contract, the Buyer makes the additional representations and warranties set out in Schedule 24 to the Seller.

25. **GST:** In addition to the Purchase Price, the applicable Goods and Services Tax ("GST") imposed under the *Excise Tax Act* (Canada) (the "Act") will be paid by the Buyer. On or before the Completion Date, the Buyer may confirm to the Seller's Lawyer or Notary that it is registered for the purposes of Part IX of the Act and will provide its registration number. If the Buyer does not confirm that it is a registrant under Part IX of the Act on or before the Completion Date, then the Buyer will pay the applicable GST to the Seller on the Completion Date and the Seller will then remit the GST as required by the Act. All taxes payable pursuant to the *Provincial Sales Tax Act* arising out the purchase of the Property, will be paid by the Buyer and evidence of such payment will be provided to the Seller.

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

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

27. **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: (A) 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); and (B) 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 TaxAct*.

28. **TIME:** Time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement 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.

29. **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").

30. **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.

31. **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.

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32. **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. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds shall be held in trust for the Buyer and the Seller according to their interests in the Property.

33. **GOVERNING LAW:** This Contract will be governed by the laws of the Province of British Columbia. The parties submit to the exclusive jurisdiction of the courts in the Province of British Columbia regarding any dispute that may arise out of this transaction.

34. **CONFIDENTIALITY:** Unless the transaction contemplated by this Contract is completed, the Buyer and the Seller will keep all negotiations regarding the Property confidential, and the Buyer will not disclose to any third party the contents or effect of any documents, materials or information provided pursuant to or obtained in relation to this Contract without the prior written consent of the Seller, except that each of the Buyer and the Seller may disclose the same to its employees, inspectors, lenders, agents, advisors, consultants, potential investors and such other persons as may reasonably be required and except that the Buyer and the Seller may disclose the same as required by law or in connection with any regulatory disclosure requirements which must be satisfied in connection with the proposed sale and purchase of the Property.

35. **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.

36. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and any attached Schedules. All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Date, unless otherwise agreed in writing.

37. **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 Clause 38, 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 that 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;

    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 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.

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

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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 the Designated Agent(s)/REALTOR®s specified in Clause 10.1 who is/are licensed in relation to the brokerage specified in Clause 10.1.

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 the Designated Agent(s)/REALTOR®(s) specified in Clause 10.2 who is/are licensed in relation to the brokerage specified in Clause 10.2.

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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 the Designated Agent(s)/REALTOR®(s) specified in Clause 10.3 who is/are

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licensed in relation to the brokerage specified in Clause 10.3, having signed a dual agency agreement with such Designated Agent(s)/REALTOR®(s) dated the date set out in Clause 10.4.

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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.

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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.

39. **ASSIGNMENT OF REMUNERATION:** The Buyer and the Seller agree that the Seller's authorization and instruction set out in clause 44(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.

40. **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.

40. **A. 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.

41. **ADDITIONAL TERMS:** The additional terms set out in Schedule 41 are hereby incorporated into and form a part of this Contract.

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

43. **OFFER:** This offer, or counter-offer, will be open for acceptance until the time and date specified in Clause 11.1 (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.

WITNESS	X [signature] SEAL BUYER	1320202 B.C. Ltd. PRINT NAME
WITNESS	X SEAL BUYER	PRINT NAME

44. **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 cash 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 10/11/2021 | 9:57 AM PDT, yr.

The Seller declares their residency:

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

WITNESS	DocuSigned by: David Blair 1D25ECF9733443A... SEAL SELLER	CTI HOLDINGS (OSOYOOS) INC. PRINT NAME
WITNESS	X SEAL SELLER	PRINT NAME

*PREC represents Personal Real Estate Corporation

CONTRACT OF PURCHASE AND SALE FOR COMMERCIAL REAL ESTATE SCHEDULE

BCrea — THE CANADIAN BAR ASSOCIATION British Columbia Branch

MLS® NO.: ______________________ DATE: October 8 2021

RE: ADDRESS 8707 296th Avenue, Osoyoos

LOT 407 DISTRICT LOT 2450S SIMILKAMEEN DIVISION YALE DISTRICT PLAN 1957
EXCEPT PLAN 14139

LOT 664, PLAN KAP2066, DISTRICT LOT 2450S, SIMILKAMEEN DIV OF YALE LAND DISTRICT

LEGAL DESCRIPTION

PID: 007-861-940 / 011-259-540

FURTHER TO THE CONTRACT OF PURCHASE AND SALE DATED October 8, 2021

MADE BETWEEN CTI HOLDINGS (OSOYOOS) INC. AS BUYER, AND

1320202 B.C. Ltd. AS SELLER AND COVERING

THE ABOVE-MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

16.A BUYER'S CONDITIONS

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

a) the Buyer's review and approval of a Phase 1 environmental assessment, conducted by the Vendor, within seven (7) days of receipt of the Phase 1 Environmental Report being received by the Buyer. Such Phase 1 to be satisfactory to the Buyer in their sole and absolute discretion.

b) the Buyer being satisfied in its sole discretion with its review of a feasibility study for the purchase and development of the Property within (7) days of receipt of the Phase 1 Environmental Report.

For clarity, the Buyer's Condition Waiver Date will be the same for both 16 a) and 16.b)

16.B SELLER'S 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 to by Ernst & Young Inc. in its capacity as the court-appointed monitor of the Seller in its proceedings under the Companies' Creditors Arrangement 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 on 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 three calendar weeks following Buyer Subject Removal, this Agreement shall become null and void and the Buyer's deposit shall be returned without interest or deduction.

WITNESS	X DocuSigned by: [signature] D8C5572EF1234F4... SEAL BUYER	1320202 B.C. Ltd. PRINT NAME
WITNESS	X SEAL BUYER	PRINT NAME
WITNESS	DocuSigned by: David Blair 1D25CF9733443A... SEAL SELLER	CTI HOLDINGS (OSOYOOS) INC. PRINT NAME
WITNESS	X SEAL SELLER	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®).

CONTRACT OF PURCHASE AND SALE FOR COMMERCIAL REAL ESTATE SCHEDULE

BCrea | THE CANADIAN BAR ASSOCIATION British Columbia Branch

MLS® NO.: ____________ DATE: October 8, 2021

RE: ADDRESS 8707 296th Avenue, Osoyoos

LOT 407 DISTRICT LOT 2450S SIMILKAMEEN DIVISION YALE DISTRICT PLAN 1957
EXCEPT PLAN 14139

LOT 664, PLAN KAP2066, DISTRICT LOT 2450S, SIMILKAMEEN DIV OF YALE LAND DISTRICT

LEGAL DESCRIPTION

PID: 007-861-940 / 011-259-540

FURTHER TO THE CONTRACT OF PURCHASE AND SALE DATED October 8, 2021

MADE BETWEEN CTI HOLDINGS (OSOYOOS) INC. AS BUYER, AND

1320202 B.C. Ltd. AS SELLER AND COVERING

THE ABOVE-MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

41. ADDITIONAL CLAUSES:

a) Excise Tax Act: The Buyer acknowledges and agrees that the Purchase Price does not included 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, or the Purchaser will self-assess for GST.

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

c) The Seller and Buyer acknowledge that if the Seller receives an offer from a bona fide third party during the Buyer's conditional period on terms more acceptable to the Seller, in the Seller's sole and absolute discretion, the Seller shall give written notice ('Notice of Better Offer') of this to the Buyer. The Buyer shall have 72 hours following the Notice of Better Offer to waive all Buyer's Conditions.

If the Buyer does not give written notice to the Seller that it is waiving its conditions within the time specified, the Seller may, it its option, terminate the Contract of Purchase and Sale and no party shall have any claim against the other.

WITNESS	DocuSigned by: X [signature] SEAL BUYER D8C5572EF1234F4...	1320202 B.C Ltd. PRINT NAME
WITNESS	X SEAL BUYER	PRINT NAME
WITNESS	DocuSigned by: X David Blair SEAL SELLER 4D25ECF9733443A...	CTI Holdings (Osoyoos) Inc. PRINT NAME
WITNESS	X SEAL SELLER	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®).

CREA WEBForms®

CONTRACT OF PURCHASE AND SALE ADDENDUM

MLS® NO.: 189435 DATE: November 16th, 2021

RE: ADDRESS 8707 296th Avenue Osoyoos BC

Lot 407, District Lot 2450S, Similkameen Division Yale District, Plan 1957, Except Plan 14139
Lot 664, Plan KAP 2066, District Lot 2450S, Similkameen Division Yale District

LEGAL DESCRIPTION

007-861-940 011-259-540

PID OTHER PID(S)

FURTHER TO THE CONTRACT OF PURCHASE AND SALE DATED October 8th, 2021

MADE BETWEEN 1320202 BC Ltd AS BUYER, AND

CTI Holdings (Osoyoos) Inc. AS SELLER AND COVERING

THE ABOVE-MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

The Buyer hereby waives the following Buyer's Conditions contained in Clause 16.A(a) and 16.A(b)

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

(a) the Buyer's review and approval of a Phase 1 environmental assessment, conducted by the Vendor, within seven (7) days of receipt of the Phase 1 Environmental Report being received by the Buyer. Such Phase 1 to be satisfactory to the Buyer in their sole and absolute discretion.

(b) the Buyer being satisfied in its sole discretion with its review of a feasibility study for the purchase and development of the Property within (7) days of receipt of the Phase 1 Environmental Report.

For clarity, the Buyer's Condition Waiver Date will be the same for both 16 a) and 16 b)."

~~This Contract of Purchase and Sale is now non-conditional, firm and binding.~~ DS

All other terms and conditions shall remain in full force and effect, time shall remain of the essence.

WITNESS	DocuSigned by: X BUYER D8C5572EF1234F4... SEAL	1320202 BC Ltd PRINT NAME
WITNESS	X BUYER SEAL	PRINT NAME
WITNESS	X SELLER SEAL	PRINT NAME
WITNESS	X SELLER SEAL	PRINT NAME

*PREC represents Personal Real Estate Corporation

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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO

FIFTEENTH REPORT OF THE MONITOR
(November 25, 2021)

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Lawyers for the Monitor, Ernst & Young Inc.