

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE ) WEDNESDAY, THE 26<sup>TH</sup>  
 )  
JUSTICE OSBORNE ) DAY OF JUNE, 2024

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

**AND IN THE MATTER OF PLAN OF COMPROMISE OR  
ARRANGEMENT OF HERITAGE CANNABIS HOLDINGS  
CORP., 1005477 B.C. LTD., HERITAGE CANNABIS WEST  
CORPORATION, MAINSTRAIN MARKET LTD.,  
HERITAGE CANNABIS EAST CORPORATION,  
PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY  
INC., 5450 REALTY INC., HERITAGE CANNABIS  
EXCHANGE CORP. AND PREMIUM 5 LTD.**

Applicants

**ORDER  
(APPROVAL AND REVERSE VESTING 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: (a) approving the amended and restated stalking horse subscription agreement dated as of June 17, 2024 (the "**Amended and Restated Stalking Horse Agreement**") entered into between Heritage Cannabis Holdings Corp. ("**Heritage Cannabis**"), Heritage Cannabis West Corporation ("**Heritage West**"), Heritage Cannabis East Corporation ("**Heritage East**", and together with Heritage Cannabis and Heritage West, the "**Companies**"), as companies, BJK Holdings Ltd. ("**BJK**"), and HAB Cann Holdings Ltd. (the "**Purchaser**"), as purchaser, and the transactions contemplated therein (the "**Transactions**"); (b) adding 1000921087 Ontario Inc. ("**Residual Co.**") as an Applicant to these CCAA proceedings (the "**CCAA Proceedings**"); (c) transferring and vesting all of the right, title and interest of Heritage Cannabis, Heritage West, Heritage East, 333

Jarvis Realty Inc. (“**333 Jarvis**”), 5450 Realty Inc. (“**5450 Realty**”), Premium 5 Ltd. (“**Premium 5**”) and Purefarma Solutions Inc. (“**Purefarma**”, and, collectively with Heritage Cannabis, Heritage West, Heritage East, 333 Jarvis, 5450 Realty and Premium 5, the “**Purchased Entities**”) in and to the Excluded Assets and Excluded Liabilities (each as defined in the Amended and Restated Stalking Horse Agreement) to and in Residual Co.; (d) authorizing and directing each of the Companies, as applicable, to file the Articles of Amendment (as defined in the Amended and Restated Stalking Horse Agreement); (e) authorizing and directing Heritage Cannabis to issue the Heritage Cannabis Purchased Shares (as defined in the Amended and Restated Stalking Horse Agreement), and vesting in and to the Purchaser, all right, title and interest in and to the Heritage Cannabis Purchased Shares, free and clear of any Claims and Encumbrances (as defined below); (f) authorizing and directing Heritage West to issue the Heritage West Purchased Shares (as defined in the Amended and Restated Stalking Horse Agreement), and vesting in and to the Purchaser, all right, title and interest in and to the Heritage West Purchased Shares, free and clear of any Claims and Encumbrances; (g) authorizing and directing Heritage East to issue the Heritage East Purchased Shares (as defined in the Amended and Restated Stalking Horse Agreement), and vesting in and to the Purchaser, all right, title and interest in and to the Heritage East Purchased Shares, free and clear of any Claims and Encumbrances; and (h) terminating and cancelling all of the Equity Interests (as defined in the Amended and Restated Stalking Horse Agreement) of each of the Companies, other than the Purchased Shares, for no consideration, was heard this day by videoconference.

**ON READING** the Motion Record of the Applicants, including the affidavit of David Schwede sworn June 18, 2024 and the Exhibits thereto, the second report of KPMG Inc. (“**KPMG**”), in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for BJK and the Purchaser, and counsel for those other parties appearing as indicated by the Participant Information Form, no one appearing for any other party, although duly served as appears from the Affidavit of Service of Lynda Christodoulou, as filed,

## **SERVICE**

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

## **DEFINED TERMS**

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings given to them in the Amended and Restated Stalking Horse Agreement and the Order of Justice Cavanagh dated April 11, 2024.

## **APPROVAL AND VESTING**

3. **THIS COURT ORDERS** that the Amended and Restated Stalking Horse Agreement and the Transactions, be and are hereby approved and that the execution of the Amended and Restated Stalking Horse Agreement by each of the Companies is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary, with the approval of the Monitor. Each of the Companies are hereby authorized and directed to perform its respective obligations under the Amended and Restated Stalking Horse Agreement and each of the Purchased Entities are authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including the cancellation of the Equity Interests and the issuance of the Purchased Shares to the Purchaser.

4. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Companies to proceed with the Transactions, and that no shareholder or other approval shall be required in connection therewith, other than as contemplated by the applicable Transaction Regulatory Approvals.

5. **THIS COURT ORDERS** that upon the delivery of the Monitor's certificate substantially in the form attached as **Schedule "A"** hereto (the "**Monitor's Closing Certificate**") to the Companies and the Purchaser (the "**Closing Time**"), the following shall occur and shall be deemed to have occurred at the Closing Time in the following sequence:

- (a) first, all of the Purchased Entities' right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in Residual Co., with

all applicable Claims and Encumbrances continuing to attach to the Excluded Assets and to the Purchase Price in accordance with paragraph 9 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;

- (b) second, all Excluded Liabilities shall be channeled to, assumed by and vested absolutely and exclusively in Residual Co., such that the Excluded Liabilities shall become the obligations of Residual Co., and shall no longer be obligations of the Purchased Entities and all of the Purchased Entities' respective assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate, including property held in trust for the Purchased Entities (the "**Purchased Entities' Property**"), shall be and are hereby forever released and discharged from such Excluded Liabilities and all related Claims and all Encumbrances affecting or relating to the Purchased Entities' Property are to be expunged and discharged as against the Purchased Entities' Property;
- (c) third, in consideration for the Purchase Price, the Companies shall issue the Purchased Shares to the Purchaser, and all of the right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, and the Purchased Entities' Property, other than the Excluded Assets, will be retained by the Purchased Entities, free and clear of and from any and all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, 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) any encumbrances or charges created by the Initial Order or any other Order of the Court in the CCAA Proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Encumbrances listed on **Schedule “B”** hereto);

- (d) fourth, all Equity Interests of the Companies outstanding prior to the issuance of the Purchased Shares, including all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (as defined below) which are convertible or exchangeable for any securities of the Companies or which require the issuance, sale or transfer by the Companies, of any shares or other securities of the Companies and/or the share capital of the Companies, or otherwise relating thereto, shall be deemed terminated and cancelled without consideration and the only Equity Interests of the Companies that shall remain shall be the Purchased Shares; and
- (e) lastly, the Purchased Entities shall be deemed to cease being Applicants in these CCAA Proceedings, and the Purchased Entities shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of these CCAA Proceedings, save and except for this Order, the provisions of which (as they relate to the Purchased Entities) shall continue to apply in all respects.

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

7. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Companies and the Purchaser regarding the satisfaction or waiver of conditions to closing under the Amended and Restated Stalking Horse Agreement and shall have no liability with respect to delivery of the Monitor's Closing Certificate.

8. **THIS COURT ORDERS** that upon delivery of the Monitor's Closing Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Purchased Entities, the Purchased Entities' Property or the Excluded Assets (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Closing Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Amended and Restated Stalking Horse Agreement. Presentment of this Order and the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of interest against any of the Purchased Entities' Property and the Monitor and the Purchaser are hereby specifically authorized to discharge the registrations on the Purchased Entities' Property and the Excluded Assets, as applicable.

9. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the Closing Time, subject to the funding of the Priority Payment Amount and the CCAA Process Expense Amount, all Claims and Encumbrances transferred, assumed, released, expunged and discharged pursuant to paragraph 5 hereof, including against the Purchased Entities, the Purchased Entities' Property, the Purchased Shares and the Equity Interests shall attach to the Excluded Assets with the same nature and priority as they had immediately prior to the Transactions as if the Transactions had not occurred.

10. **THIS COURT ORDERS** that, pursuant to clause 7(3) (c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Purchased Entities or the Monitor, as the case may be, are authorized, permitted and directed to, at the Closing Time, disclose to the Purchaser, all human resources and payroll information in the Purchased Entities' records pertaining to past and current employees of the Purchased Entities. The Purchaser shall

maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Purchased Entities.

11. **THIS COURT ORDERS** that, at the Closing Time and without limiting the provisions of paragraph 5 hereof, the Purchaser, the Purchased Entities, and the Monitor shall be deemed released from any and all claims, liabilities, (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to the Purchased Entities, provided, as it relates to the Purchaser and the Purchased Entities, such release shall not apply to (a) Taxes in respect of the business and operations conducted by the Purchased Entities after the Closing Time; or (b) Taxes expressly assumed as Retained Liabilities pursuant to the Amended and Restated Stalking Horse Agreement, including without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Purchased Entities (including their affiliates and any predecessor corporations) pursuant to sections 160 and 160.01 of the *Income Tax Act*, R.S.C. 1985 c. 1 (5th Supp.), or any provincial or foreign tax equivalent, in connection with the Purchased Entities. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to Residual Co.

12. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Amended and Restated Stalking Horse Agreement (and, for greater certainty, excluding the Excluded Assets and Excluded Liabilities and contracts relating thereto), all contracts to which any of the Purchased Entities are a party at the time of delivery of the Monitor's Closing Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Closing Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the Closing Time and is not continuing that would have entitled such Person to enforce those rights or remedies

(including defaults or events of default arising as a result of the insolvency of any of the Purchased Entities);

- (b) the insolvency of any of the Purchased Entities or the fact that the Purchased Entities obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Amended and Restated Stalking Horse Agreement, the Transactions, the provisions of this Order, or any other Order of this Court in these CCAA Proceedings; or
- (d) any transfer or assignment, or any change of control, of any of the Purchased Entities or Purchased Entities' Property arising from the implementation of the Amended and Restated Stalking Horse Agreement, the Transactions, or the provisions of this Order.

13. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 12 hereof shall waive, compromise or discharge any obligations of the Purchased Entities or the Purchaser, in respect of any Retained Liabilities, (b) the designation of any Claim as a Retained Liability is without prejudice to any of the Purchased Entities' or the Purchaser's right to dispute the existence, validity or quantum of any such Retained Liability, and (c) nothing in this Order or the Amended and Restated Stalking Horse Agreement shall affect or waive the Purchased Entities' or the Purchaser's rights and defences, both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liability.

14. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of any of the Purchased Entities then existing or previously committed by any of the Purchased Entities, or caused by any one of the Purchased Entities, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any contract, or lease existing between such Person and any of the Purchased Entities

(including for certainty, those contracts, or leases constituting the Purchased Entities' Property) arising directly or indirectly from the filing by the Applicants under the CCAA and implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 12 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract, or a lease shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse any of the Purchased Entities or the Purchaser from performing their obligations under the Amended and Restated Stalking Horse Agreement, or be a waiver of defaults by any of the Purchased Entities or the Purchaser under the Amended and Restated Stalking Horse Agreement and the related documents.

15. **THIS COURT ORDERS** that, from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Purchased Entities or the Purchaser relating in any way to or in respect of any Excluded Assets or Excluded Liabilities and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

16. **THIS COURT ORDERS** that from and after the Closing Time:

- (a) the nature of the Retained Liabilities, as retained by the Purchased Entities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to Residual Co.;
- (c) any Person that prior to the Closing Time had a valid right or claim against any of the Purchased Entities under or in respect of any Excluded Liability

(each an “**Excluded Liability Claim**”) shall no longer have an Excluded Liability Claim against any of the Purchased Entities or Purchased Entities’ Property, but will have an equivalent Excluded Liability Claim against Residual Co. in respect of the Excluded Liability from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against Residual Co.; and

- (d) any Person with an Excluded Liability Claim against Residual Co. following the Closing Time shall have the same rights, priority and entitlement as against Residual Co. as such Person, with an Excluded Liability Claim, had against the applicable Purchased Entities’ entity prior to the Closing Time.

17. **THIS COURT ORDERS** that, as of the Closing Time:

- (a) Residual Co. shall be a company to which the CCAA applies; and
- (b) Residual Co. shall be added as an Applicant in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to (i) an “Applicant” shall refer to and include Residual Co.; and (ii) “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of Residual Co. (collectively the “**Residual Co. Property**”), and, for greater certainty, each of the Charges (as defined in the Initial Order), shall constitute a charge on the Residual Co. Property.

#### **PRIORITY PAYMENT AMOUNT AND CCAA PROCESS EXPENSE AMOUNT**

18. **THIS COURT ORDERS AND DIRECTS** that the Priority Payment Amount and the CCAA Process Expense Amount, as necessary, shall be distributed by the Purchased Entities from the cash on hand or, to the extent required, shall be paid by the Purchaser, to the Monitor in cash

on the Closing Date, consistent with the Implementation Steps and in accordance with the terms of the Amended and Restated Stalking Horse Agreement.

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

- (a) the pendency of these CCAA Proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 195, c. B-3, as amended (the “**BIA**”), in respect of Residual Co. and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Purchased Entities or Residual Co.;

the Amended and Restated Stalking Horse Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets and Excluded Liabilities in and to Residual Co., the transfer and vesting of the Purchased Shares in and to the Purchaser, any payment of the Priority Payment Amount and the CCAA Process Expense Amount by the Purchased Entities and any payments by or to the Purchaser, any of the Purchased Entities, Residual Co., or the Monitor authorized herein, or pursuant to the Amended and Restated Stalking Horse Agreement) shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Purchased Entities and/or Residual Co. and shall not be void or voidable by creditors of the Purchased Entities or Residual Co., as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal, provincial or foreign legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## **MONITOR**

20. **THIS COURT ORDERS** that nothing in this Order, including the release of the Purchased Entities from the purview of these CCAA Proceedings pursuant to paragraph 5(d) hereof and the addition of Residual Co. as an Applicant in these CCAA Proceedings, shall affect, vary, derogate

from, limit or amend any rights, approvals and protections afforded to the Monitor in these CCAA Proceedings and KPMG shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, any other Orders in these CCAA Proceedings or otherwise, including all approval, protections and stays of proceedings in favour of KPMG in its capacity as Monitor, all of which are expressly continued and confirmed.

21. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except with leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

22. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the management of the Purchased Entities or Residual Co. or to have taken or maintained possession or control of the business or property of any of the Purchased Entities or Residual Co., or any part thereof; or (b) be deemed to be in Possession (as defined in the Initial Order) of any property of the Purchased Entities or Residual Co. within the meaning of any applicable Environmental Legislation and Cannabis Legislation (each as defined in the Initial Order) or otherwise.

23. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor, its employees and representatives are not and shall not be or be deemed to be, a director, officer, or employee of Residual Co. *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising as a direct result of the gross negligence or wilful misconduct of the Monitor.

24. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of Residual Co.

## **RELEASES**

25. **THIS COURT ORDERS** that, effective upon the filing of the Monitor's Closing Certificate, (a) the current directors, officers, employees, consultants, legal counsel and advisors of the Applicants; (b) the current directors, officers, employees, consultants legal counsel and advisors to Residual Co.; (c) the Monitor and its legal counsel and their respective current directors, officers, partners, employees, consultants and advisors (the Persons listed in (a), (b), and (c) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, duties, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) arising in connection with or relating to the CCAA Proceedings, the Amended and Restated Stalking Horse Agreement, the consummation of the Transactions, any closing document, agreement, document, instrument, matter or transaction involving the Purchased Entities arising in connection with or pursuant to any of the foregoing, and/or any matter relating to the Purchased Entities' cannabis excise licence and/or GST/HST arrears owing by any of the Purchased Entities for the period prior to the date of the Initial Order (collectively, the "**Released Claims**"), which Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to Residual Co. or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA. For greater certainty, "current" in this paragraph refers to individuals who remain in their respective role(s) up to one day prior to closing of the Transactions, as applicable.

26. **THIS COURT ORDERS** that, effective upon the filing of the Monitor's Closing Certificate, BJK and the Purchaser (collectively, the "**Other Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities,

claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the filing of the Monitor's Closing Certificate, undertaken or completed in connection with or pursuant to the terms of this Order and that relate in any manner whatsoever to the Amended and Restated Stalking Horse Agreement, the DIP Facility, the consummation of the Transactions, and/or any closing document, agreement, document, instrument, matter or transaction involving the Purchased Entities arising in connection with or pursuant to any of the foregoing (collectively, the "**Released Purchased Entities' Claims**"), which Released Purchased Entities' Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Other Released Parties.

27. **THIS COURT ORDERS** that notwithstanding any other provision of this Order, for any real property lease that is not excluded from the Transactions ("**Lease**"), the landlord of any such Lease shall be entitled to enforce all of its rights and remedies as against the tenant with respect to any breach of a non-monetary obligation under the Lease, if (a) such non-monetary breach under the Lease arises or continues after the Closing Time; (b) such non-monetary breach is capable of being cured; and (c) the tenant has failed to remedy the default after having received notice of such default pursuant to the terms of the Lease. Without limiting the foregoing, the landlord under the Lease shall not rely on a notice of default sent prior to the filing of the Monitor's Closing Certificate ("**Prior Default Notice**") to terminate or otherwise enforce the terms of the Lease as against the tenant and any such Prior Default Notice shall be deemed unenforceable.

## **GENERAL**

28. **THIS COURT ORDERS** that, having been advised of the provisions of Multilateral Instrument 61-101 "Protection of Minority Security Holders in Special Transactions" relating to the requirement for "minority" shareholder approval in certain circumstances, no meeting of shareholders or other holders of Equity Interests in each of the Purchased Entities or Heritage

Cannabis is required to be held in respect of the Transactions, and accordingly, there is no requirement to send any disclosure document related to the Transactions, to such shareholders or other holders of Equity Interests.

29. **THIS COURT ORDERS** that in the event of a conflict between the terms of this Order and those of the Initial Order or any other Order of this Court, the provisions of this Order shall govern.

30. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser and the Companies shall be authorized to take all steps as may be necessary to affect the discharge of the Claims and Encumbrances as against the Purchased Entities, the Purchased Shares, those Equity Interests of each of the Companies held by the Purchaser, and the Purchased Entities' Property.

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

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

*AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF 1005477 B.C. LTD., MAINSTRAIN MARKET LTD., HERITAGE  
CANNABIS EXCHANGE CORP., and 1000921087 ONTARIO INC.*

32. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

33. **THIS COURT ORDERS** that the Monitor and each of the Purchased Entities shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court, tribunal or administrative body whether in Canada, the United States, or elsewhere, for orders which aid and complement this Order. All courts, tribunals and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Purchased Entities and/or the Monitor as may be deemed necessary or appropriate for that purpose.

34. **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 Purchased Entities, 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 Purchased Entities 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 Purchased Entities, the Monitor and their respective agents in carrying out the terms of this Order.

35. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. (Eastern Standard Time) on the date hereof that it is made and is enforceable without any need for entry and filing.

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**SCHEDULE A  
FORM OF MONITOR'S CLOSING CERTIFICATE**

Court File No. CV-24-00717664-00CL

**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 PLAN OF COMPROMISE OR  
ARRANGEMENT OF A. HERITAGE CANNABIS  
HOLDINGS CORP., 1005477 B.C. LTD., HERITAGE  
CANNABIS WEST CORPORATION, MAINSTRAIN  
MARKET LTD., HERITAGE CANNABIS EAST  
CORPORATION, PUREFARMA SOLUTIONS INC., 333  
JARVIS REALTY INC., 5450 REALTY INC., HERITAGE  
CANNABIS EXCHANGE CORP. AND PREMIUM 5 LTD.**

**MONITOR'S CERTIFICATE**

**RECITALS**

A. Pursuant to the Initial Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List), (the "**Court**") dated April 2, 2024, as amended and restated on April 11, 2024, Heritage Cannabis Holdings Corp., 1005477 B.C. Ltd., Heritage Cannabis West Corporation, Mainstrain Market Ltd., Heritage Cannabis East Corporation, Purefarma Solutions Inc., 333 Jarvis Realty Inc., 5450 Realty Inc., Heritage Cannabis Exchange Corp., and Premium 5 Ltd. (collectively, the "**Heritage Group**") were granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and KPMG was appointed as the monitor of the Heritage Group (in such capacity, the "**Monitor**").

B. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Approval and Reverse Vesting Order of this Court dated June 26, 2024 (the "**ARVO**").

C. Pursuant to the ARVO, the Court approved the Transactions contemplated by the Amended and Restated Stalking Horse Agreement dated June 17, 2024 between Heritage Cannabis Holdings Corp. ("**Heritage Cannabis**"), Heritage Cannabis West Corporation ("**Heritage West**"), Heritage

Cannabis East Corporation (“**Heritage East**”, and together with Heritage Cannabis and Heritage West, the “**Companies**”), as companies, BJK Holdings Ltd. (“**BJK**”), and HAB Cann Holdings Ltd. (the “**Purchaser**”), as purchaser, and the transactions contemplated therein (the “**Transactions**”), and ordered, *inter alia*, that: (i) all of the Purchased Entities’ right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in Residual Co.; (ii) all of the Excluded Liabilities shall be transferred to, assumed by and vest in Residual Co.; and (iii) all of the right, title and interest in and to the Purchased Shares shall vest absolutely and exclusively in the Purchaser free and clear of and from any Claims and Encumbrances and terminating and cancelling all of the Equity Interests, which vesting, terminating and cancelling is to be effective upon the delivery by the Monitor to the Purchaser and the Companies of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Companies and the Purchaser that all conditions to closing have been satisfied or waived by the parties to the Amended and Restated Stalking Horse Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Monitor has received the Priority Payment Amount and the CCAA Process Expense Amount.
2. The Monitor has received written confirmation from the Companies and the Purchaser, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived, as applicable, by the parties to the Amended and Restated Stalking Horse Agreement.
3. This Monitor’s closing certificate was delivered by the Monitor at Toronto on \_\_\_\_\_, 2024.

**KPMG Inc., in its capacity as Monitor of the Heritage Group and not in its personal or corporate capacity.**

Per:: \_\_\_\_\_

Name:

Title:

**SCHEDULE B**  
**PERMITTED ENCUMBRANCES**

**PERSONAL PROPERTY PERMITTED ENCUMBRANCES**

*Heritage Cannabis Holdings Corp.*

- Security interest granted to NFS Leasing Canada Ltd. and Peoples United Bank, N.A. in connection with the Ontario *Personal Property Security Act* registration bearing Reference File No. 788089527; and
- Security interest granted to NFS Leasing Canada Ltd. C/O NFS Leasing, Inc.; M&T Bank Corporation in connection with the Ontario *Personal Property Security Act* registration bearing Reference File No. 797650083.

*Heritage Cannabis Holdings Corp. and Heritage Cannabis West Corporation*

- Security interest granted to Metro Leasing Corp. in connection with the British Columbia *Personal Property Security Act* registration bearing Base Registration No. 592391N.

*Heritage Cannabis West Corporation*

- Security interest granted to Brown Bros Motor Lease Canada Ltd. in connection with the British Columbia *Personal Property Security Act* registration bearing Base Registration No. 391566N.

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

Court File No.: CV-24-00717664-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HERITAGE CANNABIS HOLDINGS CORP., 1005477 B.C. LTD., HERITAGE CANNABIS WEST CORPORATION, MAINSTRAIN MARKET LTD., HERITAGE CANNABIS EAST CORPORATION, PUREFARMA SOLUTIONS INC., 333 JARVIS REALTY INC., 5450 REALTY INC., HERITAGE CANNABIS EXCHANGE CORP., AND PREMIUM 5 LTD.

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

Proceeding commenced at Toronto

**APPROVAL AND REVERSE VESTING ORDER**

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