

**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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED (O/A TRUE NORTH CANNABIS CO.),
2668905 ONTARIO INC. (O/A BAMBOO BLAZE), AND 2767888 ONTARIO
INC.

Respondents (Debtors)

**APPLICATION RECORD OF THE APPLICANT
(Returnable January 24, 2024)**

January 23, 2025

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Larry Ellis LSO# 49313K

Email: lellis@millerthomson.com

Tel: 416.595.8639

David S. Ward LSO# 33541W

Email: dward@millerthomson.com

Tel: 416.595.8625

Patrick Corney LSO# 65462N

Email: pcorney@millerthomson.com

Tel: 416.595.8555

Lawyers for the Applicant

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED (d/b/a True North Cannabis Co.), 2744364 ONTARIO LIMITED
(d/b/a Bamboo Blaze), AND 2767888 ONTARIO INC.

Respondents (Debtors)

SERVICE LIST
(as of January 23, 2025)

NAME	METHOD OF DELIVERY	ROLE/INTEREST
MILLER THOMSON LLP 40 King Street West, Suite 5800 Toronto, ON M5H 3S1 Larry Ellis lellis@millerthomson.com Tel: 416.595.8639 David Ward dward@millerthomson.com Tel: 416.595.8625 Patrick Corney pcorney@millerthomson.com Tel: 416.595.8555	Email	Counsel to the Applicant

DELOITTE RESTRUCTURING INC. 8 Adelaide Street West Toronto, ON M5H 0A9 Todd Ambachtsheer tambachtsheer@deloitte.ca Tel: 416.607.0781	Email	Monitor
BLANEY MCMURTRY LLP 2 Queen Street East, Suite 1500 Toronto, Ontario M5C 3G5 David T. Ullmann dullmann@blaney.com 416.596.4289 Alexandra Teodorescu ateodorescu@blaney.com 416.596.4279 Anisha Samat asamat@blaney.com 416.593.3924	Email	Counsel to the Monitor
Shawn Dym sdym@yorkplains.com	Email	Proposed Chief Restructuring Officer
Alena Hapanovich 960 King Street East, 7 Cambridge, ON, N3H 3P3 alonagap@me.com	Email	
Corry Van Iersel 84 Brewster Place Cambridge, ON, N3C 3T9 Corry@vancorgroup.com	Email	

<p>BORDEN LADNER GERVAIS LLP Bay Adelaide Centre, East Tower, 22 Adelaide St W #3400 Toronto, ON M5H 4E3</p> <p>Jasmine Lothian JLothian@blg.com Tel: 416.367.6452</p> <p>Kevin Lambie KLambie@blg.com Tel: 416.367.7290</p>	<p>Email</p>	<p>Counsel for the Respondents (Debtors)</p>
<p>MPG LAW PROFESSIONAL CORPORATION 25 Mill Street North, PO Box 770 Waterdown, ON L0R 2H0</p> <p>Mathew Glowacki mglowacki@mpglaw.ca Tel: 905.512.4711</p>	<p>Email</p>	<p>Litigation counsel to Kenneth Schaller</p>
<p>THORNTON GROUT FINNIGAN LLP 100 Wellington Street West Suite 3200 Toronto-Dominion Centre Toronto ON M5K 1K7</p> <p>D.J. Miller djmiller@tgf.ca Tel: 416.304.0559</p>	<p>Email</p>	<p>Counsel to Firm Capital Mortgage Fund Inc.</p>
<p>PERLEY-ROBERTSON, HILL & MCDUGALL LLP/s.r.l. 340 Albert St #1400 Ottawa, ON K1R 7Y6</p> <p>Joel Turgeon jturgeon@perlaw.ca Tel: 613-566-2224</p>		<p>CCAA Counsel for Garas Family Holdings Inc.</p>

SMITH VALERIOTE LAW FIRM LLP Barristers and Solicitors 245 Hanlon Creek Boulevard, Unit 102 Guelph, ON N1C 0A1 Trenton Johnson tjohnson@svlaw.com Ben Grant bgrant@svlaw.ca Tel : 519.837.2100	Email	Litigation counsel for Garas Family Holdings Inc.
LANDLORDS		
METAL TREE INC. 32 Seguin Street Parry Sound, ON P2A 1B1	Courier	
SPORTSWORLD SHOPPING CENTRE INC. 4396 King Street East Kitchener, ON N2P 2G4	Courier	
TANDIA FINANCIAL CREDIT UNION LTD. 352 Queen Street East, Unit 4 Acton, ON L7J 1R2	Courier	
2375144 ONTARIO CORPORATION 1076 Cedar Street, Unit 3, Oshawa, ON L1J 3R9	Courier	
879011 ONTARIO LIMITED 715 Wellington Street West, Guelph, ON N1H 8L8	Courier	
726494 ONTARIO INC. 110 Broadway Street Tillsonburg, ON N1H 8L8	Courier	
THOMAS SCHMIDT 31 Ontario Street, Units 2 & 3 Grand Bend, ON N0M 1T0	Courier	
TORBILL HOLDINGS LTD. 43 Main Street Brighton, ON K0K 1H0	Courier	
1815513 ONTARIO INC. 170 McNaughton Avenue West Unit 9, Chatham, ON N7L 1R4	Courier	
MARVIN HERTZMAN HOLDINGS INC. 951 Gordon Street, Unit 8B Guelph, ON N1G 4S1	Courier	
SECURED CREDITORS		

METAL TREE INC. 65 Treanor Crescent Georgetown, Ontario L7G 5J1 ddudek@sympatico.ca	Courier and email	Lender to 2767888 Ontario Inc.
SEAVALE INCORPORATED 87 Marsh Drive North Bay, Ontario, P1B 8G3 nickyg@sympatico.ca	Courier and email	Lender to 2767888 Ontario Inc.
FIRM CAPITAL MORTGAGE FUND INC. 163 Cartwright Avenue Toronto, Ontario M6A 1V5 mwarner@firmcapital.com	Courier and email	Lender to 2767888 Ontario Inc.
GARAS, NASHAAT 124 Silver Maple Crescent Cambridge, ON, N1R5S6 GARAS FAMILY HOLDINGS INC. 124 Silver Maple Crescent Cambridge, ON, N1R5S6 MANAL GARAS PHARMACY PROFESSIONAL CORPORATION 124 Silver Maple Crescent Cambridge, ON, N1R5S6 higginsmark@nexicom.net	Courier and email	Lender to 2767888 Ontario Inc.
MUSKOKA REAL ESTATE SERVICES INC. 810 Bay Street Gravenhurst, ON P1P 1G7	Courier	Lender to 2767888 Ontario Inc.
M.HIGGINS & ASSOCIATES INC. 17 Queen Street Campbellford, Ontario K0L 1L0 higginsmark@nexicom.net	Courier and email	Lender to 2767888 Ontario Inc.
818876 ONTARIO LTD. 69-1235 Radom St Pickering, Ontario, L1W 1J3	Courier	Lender to 2767888 Ontario Inc.

ANASTADSIADIS VENIZELOS 279 Springbank Drive London, Ontario, N6J 1G3 victor_anast@hotmail.com	Courier and email	Lender to 2767888 Ontario Inc.
BANK OF MONTREAL 101-20 Erb St W, Marsland Center Waterloo, Ontario N2L 1T2	Courier	Lender to 2767888 Ontario Inc.
GOVERNMENTAL AGENCIES		
CANADA REVENUE AGENCY c/o Department of Justice Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca Fozia Chaudary Fozia.Chaudary@justice.gc.ca Kevin Dias Kevin.Dias@justice.gc.ca	Email	Governmental Agency
OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge Street, 4th Floor Toronto, ON M5C 2W7 osbservice-bsfservice@ised-isde.gc.ca	Email	Governmental Agency
HEALTH CANADA Controlled Substances and Cannabis Branch 150 Tunney's Pasture Driveway Ottawa, ON K1A 0K9 Licensing and Security Division Emails: licensing-cannabis-licenses@hc-sc.gc.ca collections-recouvrement@hc-sc.gc.ca	Email	Governmental Agency
Ministry of Finance (Ontario) Legal Services Branch 777 Bay Street, 11th Floor Toronto, ON M5G 2C8 Email: insolvency.unit@ontario.ca	Email	

ALCOHOL AND GAMING COMISSION OF ONTARIO 90 Sheppard Avenue East Suite 200-300 Toronto, ON M2N 0A4 Nick Fera Email: nick.fera@agco.ca Sandra Lucas Email: sandra.lucas@agco.ca Ashley An Email: ashley.an@agco.ca	Email	
---	-------	--

EMAIL SERVICE LIST

Corry@vancorgroup.com; hdahrouj@tncc.ca; lellis@millerthomson.com;
pcorney@millerthomson.com; dward@millerthomson.com; tambachtsheer@deloitte.ca;
dullmann@blaney.com; ateodorescu@blaney.com; asamat@blaney.com;
sdym@yorkplains.com; alonagap@me.com; JLothian@blg.com; KLambie@blg.com;
mglowacki@mpglaw.ca; djmiller@tgf.ca; jturgeon@perlaw.ca; tjohnson@svlaw.com;
bgrant@svlaw.ca; ddudek@sympatico.ca; nickyg@sympatico.ca; mwarner@firmcapital.com;
higginsmark@nexicom.net; victor_anast@hotmail.com; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; Fozia.Chaudary@justice.gc.ca; Kevin.Dias@justice.gc.ca; osbservice-bsfservice@ised-isde.gc.ca; licensing-cannabis-licenses@hc-sc.gc.ca; collections-recouvrement@hc-sc.gc.ca; insolvency.unit@ontario.ca; nick.fera@agco.ca;
sandra.lucas@agco.ca; ashley.an@agco.ca

Court File No. CV-25-00735482-00CL

**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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED (O/A TRUE NORTH CANNABIS CO.),
2668905 ONTARIO INC. (O/A BAMBOO BLAZE), AND 2767888 ONTARIO
INC.

Respondents (Debtors)

INDEX

TAB	DOCUMENT
1.	Notice of Application Issued January 23, 2025
2.	Affidavit of Corry Van Iersel, sworn January 23, 2025
Exhibits to the Affidavit of Corry Van Iersel, sworn January 23, 2025	
EXHIBIT A	Corporate profile report for Vancor dated January 16, 2025
EXHIBIT B	Corporate profile report for TNCC dated January 16, 2025
EXHIBIT C	Corporate profile report for Bamboo Blaze dated January 16, 2025
EXHIBIT D	Corporate profile report for 2767888 Ontario Inc. dated January 16, 2025
EXHIBIT E	Table summarizing 2767888 Ontario Inc. real property interests
EXHIBIT F	Unanimous shareholders agreement True North Cannabis Co.
EXHIBIT G	Unanimous shareholders agreement Bamboo Blaze

EXHIBIT H	Unanimous shareholders agreement for 2767888 Ontario Inc
EXHIBIT I	Table summarizing True North Cannabis Co.'s lease obligations
EXHIBIT J	True North Cannabis Co. Balance Sheet
EXHIBIT K	Bamboo Blaze Balance Sheet
EXHIBIT L	2767888 Ontario Inc. Balance Sheet
EXHIBIT M	Table summarizing secured debt
EXHIBIT N	True North Cannabis Co. PPSA search results
EXHIBIT O	Bamboo Blaze PPSA search results
EXHIBIT P	2767888 Ontario Inc. PPSA search results
EXHIBIT Q	Forbearance Agreement dated December 18, 2024
EXHIBIT R	Table summarizing the results of litigation searches
EXHIBIT S	Order of Justice Gibson dated April 26, 2024
EXHIBIT T	Statement of Claim (Court File No. CV-24-00000669-0000)
EXHIBIT U	Statement of Defence and Counterclaim (Court File No. CV-24-00000669-0000)
EXHIBIT V	Reply and Defence to Counter claim (Court File No. CV-24-00000669-0000)
EXHIBIT W	Garas Family Holdings Inc. Notice of Application dated August 20, 2024
EXHIBIT X	Consent to Order for timetable
EXHIBIT Y	DIP Term Sheet
3.	Draft Order
4.	Blackline against Model Order

TAB 1



Court File No.

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

and

2744364 ONTARIO LIMITED (O/A TRUE NORTH CANNABIS CO.),
2668905 ONTARIO INC. (O/A BAMBOO BLAZE), AND 2767888 ONTARIO
INC.

Respondents (Debtors)

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing

- ☐ In writing
- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

at the following location:

Zoom link to be uploaded to Case Centre;

On **Friday, January 24, 2025, at 11:00 a.m.**, before a judge presiding over the Commercial List.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of*

-2-

Civil Procedure, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date _____ Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue
Toronto ON M5G 1R7

TO: SEE ATTACHED SERVICE LIST AT SCHEDULE "A"

-3-

APPLICATION

1. The Vancor Group Inc. (“**Vancor**”) makes an application under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“**CCAA**”) for an order (“**Initial Order**”), substantially in the form attached at Tab 3 of the within application record that, among other things:
 - (a) abridges and validates the time for service of the notice of application and the application record and dispenses with further service thereof;
 - (b) declares that 2744364 Ontario Limited (o/a True North Cannabis Co.) (“**TNCC**”), 2668905 Ontario Limited (o/a Bamboo Blaze) (“**Bamboo Blaze**”), and 2767888 Ontario Inc. (“**888**”) (together, “**Debtors**”) are debtor companies to which the CCAA applies;
 - (c) appoints Deloitte Restructuring Inc. (“**Deloitte**” or “**Monitor**”) pursuant to section 11.7 of the CCAA as Monitor to monitor the business and financial affairs of the Debtors;
 - (d) appoints Shawn Dym as the Chief Restructuring Officer (“**CRO**”) of the Debtors and approves an engagement letter entered into between the Debtors and the proposed CRO (“**CRO Engagement**”);
 - (e) seals the CRO Engagement;
 - (f) stays, for an initial period of not more than 10 days (“**Initial Stay Period**”), all proceedings and remedies taken or that might be taken in respect of the Debtors

-4-

and their respective directors, employees, and representatives (“**Stay of Proceedings**”);

- (g) approves an interim financing term sheet dated January 23, 2025 (“**DIP Term Sheet**”) between Vancor, as lender (in that capacity, “**DIP Lender**”), and the Debtors, as borrowers, under which the DIP Lender has agreed to advance to the Debtors the maximum principal amount of \$2,000,000 (“**DIP Facility**”) of which an initial amount of \$1,000,000 (“**Initial DIP Advance**”) will be advanced during the Initial Stay Period;
- (h) grants the following priority charges (“**Charges**”) against the Debtors’ assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (“**Property**”), which Charges shall have the priority given to them in the Initial Order;
 - (i) an “**Administration Charge**” in the maximum amount of \$350,000 as security for the payment of the fees and disbursements of the proposed Monitor and its counsel, the CRO, counsel to the Debtors, and counsel to Vancor; and
 - (ii) a “**DIP Lender’s Charge**” in the maximum principal amount of \$1,000,000 (plus interest, fees, and expenses).
- (i) authorizes the Debtors to pay pre-filing amounts owed to the Ontario Cannabis Store, with the consent of the proposed Monitor and in accordance with the Cash Flow Forecast (defined herein);

-5-

- (j) authorizes the Debtors to pay pre-and-post filing amounts payable to the Debtors' eight secured creditors, in accordance with the Cash Flow Forecast;
- (k) authorizes the Debtors to continue to use their existing cash management system;
- (l) orders a comeback hearing on a date to be scheduled by the court ("**Comeback Hearing**"); and
- (m) granting such further and other relief as counsel may request and this court may permit.

2. If the proposed Initial Order is granted, at the Comeback Hearing, Vancor intends to seek approval of an amended and restated Initial Order ("**ARIO**"), substantially in the full form of Ontario Superior Court of Justice (Commercial List) model CCAA initial order. The ARIO would, among other things:

- (a) extend of the Stay of Proceedings;
- (b) grant a charge against the Property, as security for the Debtors obligations to indemnify their directors and offices from obligations and liabilities that they may incur as directors and officers of the Debtors after the commencement of the within CCAA proceeding, except for gross negligence or wilful misconduct;
- (c) increase the permitted borrowing under the DIP Facility to the maximum principal amount of \$2,000,000 million (plus interest, fees, and expenses); and
- (d) increase the quantum of the Administration Charge and the DIP Lender's Charge.

-6-

THE GROUNDS FOR THE APPLICATION ARE:

Background

The need for this proceeding

3. This is a creditor-initiated application brought by Vancor for an initial order under the CCAA.

4. Vancor is by far the largest creditor of the Debtors, having provided debt financing in excess of \$23 million in principal over four years on an unsecured basis.

5. Monies invested by Vancor have been used to, among other things, (a) meet the Debtors' ordinary course operating obligations such as employee salaries and inventory purchases; and (b) purchase equipment and support all manner of capital expenditures critical to the development of the Debtors' business.

6. As outlined below, a proceeding under the CCAA is necessary and urgently required for two main reasons: (a) the Debtors are facing the maturity of significant secured debt on May 1, 2025, which obligations they cannot currently refinance and are unable to repay; and (b) Vancor's unsecured debt is currently due and payable, with no available means of repayment, despite Vancor's accommodations, including the provision of an opportunity for the Debtors' to secure financing through an out-of-court process.

7. A court-supervised process, with the oversight and guidance of an independent Monitor, and an experienced CRO, provides the highest probability of achieving a going-concern and value-maximizing investment or sale transaction for the benefit of all stakeholders, including (a) the

-7-

repayment or refinancing of monies owed to creditors; and (b) the preservation of jobs for the Debtors' 285 employees, services to the Debtors' customers, and supply relationships with the Debtors' vendors.

8. A proceeding under the CCAA is not only strategically essential, but immediately required. The secured loans imminently coming due are collateralized by mortgages over 27 of the Debtors' real properties, which are integral to the long-term viability of the Debtors' business; meaning their loss would severely disrupt operational continuity and value generation.

9. The authorities and protections of a CCAA process will afford time and opportunity to explore refinancing options and engage with stakeholders in a controlled environment. This addresses the risk of disorderly enforcement actions, preserves value for stakeholders, and positions the Debtors for long-term success.

10. The proposed DIP Term Sheet, which financing is only available in a CCAA proceeding, will allow the Debtors to address their immediate liquidity needs including payroll obligations due at the end of January, and otherwise support the restructuring and sustain operations through the projected Cash Flow Period (defined below).

The Debtors

11. TNCC owns and operates 48 retail cannabis dispensaries in Ontario, as well as an online storefront ("**Online Storefront**") for direct-to-consumer cannabis sales and deliveries in Ontario.

12. All of the Debtors' 285 employees are employed through TNCC. Six employees perform additional tasks for 888 and Bamboo Blaze on an *ad hoc* basis.

-8-

13. Bamboo Blaze is a supplier of (a) personal protective equipment (such as masks, medical gowns, and gloves) to cannabis producers, and (b) cannabis accessories (such as cannabis grinders, rolling papers, and bongs) to cannabis retailers (including TNCC).

14. 888 is a real-estate holding company that owns 41 properties. 888 is TNCC's landlord under for the majority of TNCC's commercial leases.¹

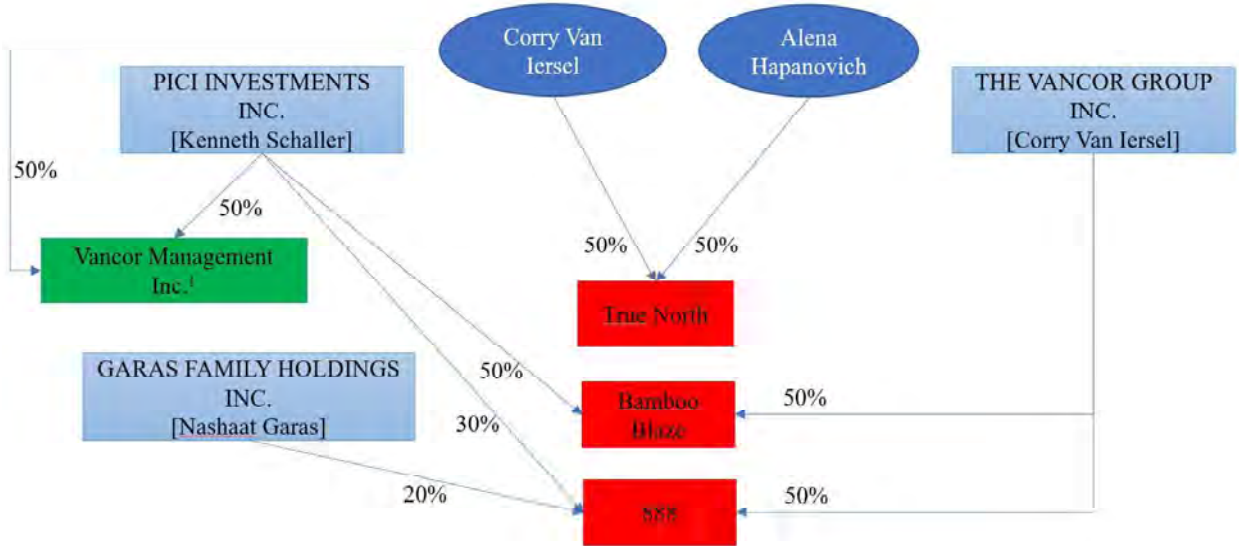
15. Preserving the vertically integrated structure of the Debtors' operations (through 888 as landlord) will be essential to a turnaround of the businesses. In the highly regulated and hypercompetitive Canadian cannabis industry, fair and predictable real estate costs provide advantages to cannabis retailers.

16. The Debtors are three of six businesses currently owned or controlled by (i) Corry Van Iersel ("**Van Iersel**") and/or Vancor and (ii) PICI Investments Incorporated ("**PICI**") or Alena Hapanovich ("**Hapanovich**") (the common-law spouse of PICI's principal, Kenneth Schaller ("**Schaller**"). Garas Family Holdings Inc. ("**Garas Holdings**") owns a minority interest in 888.

17. A corporate chart reflecting the ownership interests in the Debtors follows:

¹ A non-Debtor entity, Vancor Management Inc., operates as 888's property manager.

-9-



“**True North**” means 2744364 Ontario Limited (o/a True North Cannabis Co.)

“**Bamboo Blaze**” means 2668905 Ontario Inc. (o/a Bamboo Blaze)

“**888**” means 2767888 Ontario Inc.

¹ Vancor Management Inc. is the property manager for 888 and is not an owner of any of True North, Bamboo Blaze, or 888.

18. The Debtors’ executive management and directors are Van Iersel and Schaller² or Hapanovich, as follows:

Debtor	Directors	Officers
TNCC	Van Iersel Hapanovich	Van Iersel – President/Treasurer Hapanovich – Vice President/Secretary
Bamboo Blaze	Schaller Van Iersel	Schaller – President Van Iersel – Secretary/Treasurer

² As described herein, although nominally having the roles set out above, Schaller and Hapanovich have fully withdrawn from the businesses and are barred by court order from having anything to do with the businesses.

-10-

888	Schaller	Schaller – President
	Van Iersel	Van Iersel – Secretary/Treasurer

Secured creditors

19. The Debtors have eight secured creditors, as described in the affidavit of Corry Van Iersel, affirmed January 23, 2025.

20. Critically, 888 has 26 outstanding mortgages (“**Firm Capital Mortgages**”) with Firm Capital Mortgage Fund Inc. (“**Firm Capital**”) – all of which are coming due on May 1, 2025 – securing a \$10 million principal loan (“**Firm Capital Loan**”) from Firm Capital. Approximately \$7.5 million is currently owing by 888 to Firm Capital. The Firm Capital Loan is also collateralized through a general assignment of rents given by 888; and is cross-collateralized through (i) a general security agreement given by TNCC; and (ii) personal guarantees from Vancor and Van Iersel and PICI and Schaller.

21. Given the upcoming Firm Capital maturity wall, the Debtors urgently need to take rational and expeditious steps to repay, refinance, or extend the Firm Capital Mortgages. However, for the reasons described herein, absent the proposed CCAA proceeding, the Firm Capital Mortgages cannot be dealt with in a timely manner.

22. Further, on January 8, 2025, Van Iersel received a demand notice from Venizelos Anastasiadis (“**Anastasiadis**”), who advanced a vendor-take back loan (“**VA Loan**”) to TNCC in connection with Van Iersel and Hapanovich’s acquisition of TNCC. Anastasiadis holds a \$450,000

-11-

first-ranking mortgage (“**VA Mortgage**”) over 888’s property municipally known as 673 Ontario Street, Stratford. The VA Loan is being serviced (interest only) by TNCC, and is recorded as a liability on TNCC’s balance sheet. The VA Loan has now matured and is in repayment default.

23. As a result of the upcoming maturity of the Firm Capital Mortgages and the Anastasiadis demand, 27 of TNCC’s 48 retail storefront leases are at risk.

Vancor and its Shareholder Loans

24. Vancor is the personal holding company of Cornelius (Corry) Van Iersel.

25. Vancor’s debt investment in the Debtors is in forbearance default and at risk. In the circumstances outlined herein, Vancor cannot reasonably be expected to further accommodate the Debtors and see its position eroded. Vancor is not prepared to continue to financially support the Debtors and requires the repayment of its loans.

26. Since 2020, Vancor has financed the Debtors’ operational and capital expenses through shareholder loans (“**Shareholder Loans**”) totalling approximately \$23 million (in principal) as of November 2024. These loans were funded through two primary sources: loans from Van Iersel Properties, a real estate holding company owned by Van Iersel, which Van Iersel Properties financed via, among other sources, (a) a secured line of credit and/or real estate asset sales; and (b) loans from Rebecca MacDonald, Van Iersel’s common-law spouse.

27. At the time that the majority of the Shareholder Loans were advanced, the personal relationships between the Debtors’ shareholders/management were strong. Given the closely held

-12-

nature of the business, and the owners' trust in one another, promissory notes were not initially prepared and monies were advanced on an informal basis, without written loan documentation.

28. At the time the Shareholder Loans were advanced, it was mutually understood and agreed that Vancor would be repaid as soon as commercially reasonable, or following demand by Vancor. This agreement was also based on the parties' long-standing trust in one another, as well confidence (at the time) in a shared vision for the companies' growth and success.

29. Van Iersel and Schaller/Hapanovich discussed and agreed that the loans would bear interest at 10% per annum. However, in order to accommodate the Debtors' liquidity needs, Vancor did not always insist on payment of material amounts of interest owed. Instead, at times, Vancor allowed interest to accrue, except for small payments used to cover Van Iersel Properties interest obligations on loans funding the Shareholder Loans. In excess of \$4 million in unpaid interest has accrued (in aggregate).

30. Vancor has lost confidence in the viability of the Debtors' business.

31. Ongoing shareholder disputes have reached a critical point, eroding trust completely between the shareholders and their principals. This environment of mistrust is underscored by a barrage of accusations and counter-accusations surfacing in litigation (described below), which has in turn exacerbated tensions. Strategic business decisions, notably regarding the impending maturity of the Firm Capital Mortgages, can no longer be made.

32. Further, Van Iersel needs to monetize and realize upon – or at the very least protect – his debt investment in the Debtors in order to obtain the liquidity necessary to fund multimillion dollar personal obligations coming due in 2025.

-13-

33. Vancor gave notice to the Debtors in November 2024 that it required repayment of the Shareholder Loans.

34. On December 18, 2024, Vancor and the Debtors, with the assistance of independent legal counsel, negotiated and executed a forbearance agreement (“**Forbearance Agreement**”) under which Vancor agreed to forbear from demanding the repayment of its Shareholder Loans while the Debtors continued to pursue investment and financing solutions sufficient to effect repayment of their respective Shareholder Loans (“**Repayment Transaction**”). Among other things, the Forbearance Agreement memorialized the principal amounts then outstanding under the Shareholder Loans, as well as interest.

35. Due to his role as principal of Vancor and his management and ownership interested in the Debtors, Van Iersel recused himself from making any decision on behalf of the Debtors in respect of the Forbearance Agreement and the matters addressed therein.

36. Following execution of the Forbearance Agreement, the Debtors explored potential Repayment Transactions.

37. The forbearance period expired on January 15, 2024 with no reasonable prospect of a Repayment Transaction having been identified. None of the Debtors have sufficient cash to repay their respective Shareholder Loans.

TNCC and Bamboo Blaze cannot be properly managed

38. Van Iersel, Schaller and/or Hapanovich are the ultimate beneficial owners and directors and executive management of TNCC and Bamboo Blaze.

-14-

39. Van Iersel and Schaller were business partners for over 10 years. In addition to their interests in the Debtors, they co-own several other businesses together. For the better part of those 10 years they had a close and collaborative business relationship founded on mutual trust and respect.

40. In or about March 2024, the relationship between Van Iersel and Schaller soured when Van Iersel declined to loan Schaller \$100,000 to prevent a property from being lost to power of sale.

41. Over the course of the last year, the progressive breakdown in the relationship has caused significant turmoil in their jointly owned businesses, with escalating conflicts and paralysis making strategic decision making impossible.

42. In April 2024, Vancor and others issued a statement of claim ("**Oppression Litigation**") against the Debtors, and other related persons and entities.

43. The Debtors are three of ten defendants ("**Defendants**") in the Oppression Litigation.

44. The pleadings in the Oppression Litigation make a broad range of allegations of mismanagement and oppression across the Defendant companies. It is abundantly clear that what was once a collaborative endeavour has transformed into a fractured relationship resulting in a dysfunctional business that is unable to move forward effectively.

45. Importantly, the Oppression Litigation resulted in an April 26, 2024 consent order ("**Control Order**") of the Honourable Mr. Justice Gibson. The Control Order prohibits Schaller and Hapanovich from having any involvement in the Defendants' operations or related businesses. It grants Van Iersel exclusive authority over the Defendants' finances and banking – with the

-15-

requirement to act reasonably and in the best interests of the companies – except for Garas Holdings, whose rights under the 888 USA (as defined below) were preserved.

46. More recently, the Oppression Litigation and the resultant Control Order have been overtaken by the exigencies of the insolvency and required restructuring of certain of the Defendants.

47. In August 2024, two of the Oppression Litigation defendants (non-Debtors) were subject to an initial order under the CCAA on the application of Vancor. These entities emerged from CCAA protection in November 2024.

48. Schaller and Hapanovich left Canada and moved to Thailand in September 2024. They no longer have any involvement with the Debtors or the other businesses; nor are they permitted to pursuant to the Control Order terms.

49. Apart from the Control Order, the Oppression Litigation did not progress past the pleadings stage. It is effectively dormant. No next steps in the proceeding are scheduled.

888 cannot be properly managed

50. As indicated, Van Iersel, Schaller, and Nashaat Garas are the ultimate beneficial owners of 888. Van Iersel and Schaller are the directors and executive management of 888.

51. Garas Holdings acquired its interest in 888 in November 2021, at which point it purchased 20% of PICI's then 50% interest in 888 for \$3,393,000. Concomitantly with Garas Holdings' share purchase, Vancor, PICI, and Garas Holdings executed a unanimous shareholders agreement regarding 888 ("888 USA").

-16-

52. In or about October 2023, Garas approached Van Iersel and Schaller regarding the 888 Shareholder Loan (as well as a smaller approximately \$1.5 million shareholder loan to 888 by Schaller). Garas alleged that he had not known about the 888 Shareholder Loan(s) and, as such, that he was misled and overpaid for his shares.

53. By August 2024, with the dispute between the 888 shareholders still unresolved, Garas Holdings commenced a court application (“**888 Litigation**”) against Van Iersel, Vancor, Schaller, PICI, and 888.

54. The 888 Litigation is focused on the circumstances under which Garas Holdings obtained its 20% equity interest in 888. Garas Holdings seeks various relief aimed at recovering its equity investment in 888.

55. The 888 Litigation is in the process of being briefed and is scheduled to proceed to a hearing in mid-March 2025.

Urgent need for relief under the CCAA

56. The Debtors are demonstrably insolvent and face an imminent liquidity crisis. They are balance sheet insolvent and lack sufficient resources to meet their short-term liquidity needs and to repay, refinance or otherwise address the Firm Capital Loan, the VA Loan, and the Shareholders Loans.

57. With no feasible refinancing options available, the Debtors’ operational and financial stability is now dependant on access to protection and restructuring provisions of the CCAA.

-17-

58. Delay in initiating a CCAA proceeding will jeopardize the Debtors' relationships with employees, customers, and suppliers and further erode the value of the Debtors' business for stakeholders.

59. The authorities and protections of the CCAA, including an independent Monitor and CRO, present a fair and effective means of stabilizing the Debtors' businesses, addressing management gaps and dysfunction, and obtaining critically needed refinancing. Claims made in the Litigation can be addressed, if necessary, in the context of a CCAA. A CCAA process will preserve the Debtors' going concern value, protect the jobs of 285 employees, and maintain customer and supplier relationships.

60. In contrast, the current circumstances of the Debtors' management dysfunction and paralysis affords no opportunity to effectively address existential strategic and financing challenges, including the present inability to repay the Firm Capital Loan, the VA Loan, the Shareholder Loans, and/or to otherwise protect the going concern viability of the business.

61. Given the Debtors' insolvent and increasingly precarious financial position, Vancor, in consultation with its advisors and the proposed Monitor, believes that the best path forward to an optimal outcome is the solicitation of a sale of or investment in the Debtors' business in the context of a court-approved and professionally run sale and investment solicitation process ("**SISP**"). Should the relief on this application be granted, a SISP will be pursued in the context of a CCAA process with the attendant protections of a stay of proceedings and court and Monitor supervision.

-18-

Cash Flow Forecast

62. The Debtors' finance team, with the assistance of the proposed Monitor, has prepared a projected 15-week cash flow forecast for the week ending May 4, 2025 ("**Cash Flow Period**") that is premised on, among other things, the assumption that the Debtors will be granted CCAA protection and an interim financing facility will be approved.

Proposed Monitor

63. The proposed Monitor is a "trustee" within the meaning of the BIA and has consented, subject to Court approval, to act as the Debtors' CCAA monitor.

64. The proposed Monitor is not subject to any of the restrictions on who may be appointed as a monitor under the CCAA, as set out in section 11.7(2) of the CCAA.

65. The proposed Monitor has reviewed, and assisted in the preparation of, the Debtors' cash flow forecast, and has provided guidance and assistance in the commencement of these CCAA proceedings.

Chief Restructuring Officer

66. Vancor seeks the appointment of Shawn Dym as the CRO of the Debtors pursuant to the terms and conditions set out in the CRO Engagement.

67. Mr. Dym holds a Masters of Business Administration from Harvard Business School and has over ten years of experience in the cannabis sector.

-19-

68. Mr. Dym has the requisite knowledge and general business expertise, as well as specific expertise in the cannabis industry, and is well suited assist the Debtors, in consultation with the Monitor, throughout the proposed CCAA restructuring.

69. The CRO Engagement provides that for the initial 10-day stay period, the CRO's role is proposed to be limited to review and reporting functions. Following the issuance of an amended and restated Initial Order, the CRO Engagement contemplates an expansion of the CRO's role to management-related functions.

70. The CRO will provide the Debtors with the stable and independent management necessary to preserve their going concern value.

71. Due to the current management disputes within the Debtors, Vancor believes that the appointment of a CRO is reasonable and necessary.

72. The proposed CRO has consented to act in these proceedings.

73. The proposed Monitor supports the engagement of Mr. Dym as CRO, pursuant to the terms of the CRO Engagement.

74. This Court has the jurisdiction to approve the engagement of a CRO pursuant to section 11 of the CCAA.

Stay of Proceedings

75. The Debtors require the Stay of Proceedings to maintain the *status quo* and to provide the Debtors the breathing space they require to undertake the SISF under the direction and supervision

-20-

of the proposed Monitor. A proceeding with the protections of the CCAA will provide the fastest, most efficient, and least-stigmatic means of stabilizing the business, which in turn will maintain its going concern value and preserve jobs for the Debtors' 285 employees.

76. The proposed Initial Order contemplates an Initial Stay Period of 10 days up to and including February 3, 2025, in accordance with the CCAA.

77. The Cash Flow Forecast illustrates that the Debtors will have sufficient cash to operate through the proposed Initial Stay Period, assuming they have access to a portion of the DIP Facility during the Initial Stay Period.

78. The proposed Monitor supports Vancor's request for an Initial Stay Period.

Administration Charge

79. The Applicant seeks a super-priority charge ("**Administration Charge**") on the Debtors' Property (as defined in the draft Initial Order), up to a maximum amount of \$350,000 to secure the fees and disbursements of the proposed Monitor and its counsel, counsel to the Debtors, counsel to Vancor, and the proposed CRO, incurred both before and after the commencement of the CCAA proceedings. The Administration Charge is proposed to rank subordinate to the security interests of Firm Capital but in priority to all other encumbrances – including the DIP Lender's Charge and the security interests of the Secured Creditors (except for Firm Capital).

80. Vancor's counsel and Deloitte and its counsel have been extensively involved in planning and preparing this initial application under the CCAA. Furthermore, it is contemplated that each of the aforementioned parties covered by the Administration Charge (i) will have extensive

-21-

involvement during the proposed CCAA proceedings; (ii) will continue to contribute to the restructuring of the Debtors; and (iii) will ensure that there is no unnecessary duplication of roles among the parties.

81. The proposed Monitor has reviewed the proposed quantum of the Administration Charge and is of the view that it is reasonable and appropriate in the circumstances given the pre-filing services performed by Vencor's counsel and the proposed Monitor and its counsel, and the work required to be completed by these professionals and the CRO during the Initial Stay Period.

82. At the Comeback Hearing, Vancor intends to increase the Administration Charge.

DIP Term Sheet and DIP Lender's Charge

83. The Cash Flow Forecast indicates that the Debtors will need interim financing to fund these CCAA proceedings, including during the Initial Stay Period.

84. In connection with the commencement of this CCAA Proceeding, and following discussions with multiple potential interim lenders, the Debtors entered into the DIP Term Sheet with the DIP Lender, pursuant to which the DIP Lender has agreed to provide the DIP Facility to the Applicants. The DIP Facility contemplates a maximum principal loan amount of \$2,000,000, of which \$1,000,000 is expected to be advanced during the Initial Stay Period.

85. The DIP Facility is conditional upon, among other things, the obtaining of an order of the court approving the DIP Term Sheet and other documents to be executed and delivered thereunder, as necessary, and granting the DIP Lender's Charge over the Property.

-22-

86. Vancor seeks a DIP Lender's Charge in the amount of \$1,000,000 (plus interest, fees, and expenses) during the Initial Stay Period. At the Comeback Hearing, Vancor intends to seek an increase to the DIP Lender's Charge.

87. The DIP Lender Charge is proposed to rank behind the Administration Charge and the security interests of the Secured Creditors.

Authority to pay pre-filing obligations

88. The proposed Initial Order authorizes the Debtors to pay, with the consent of the Monitor, pre-filing amounts, owed to the Ontario Cannabis Store ("OCS"), if any, and in accordance with the terms of the DIP Term Sheet and the Cash Flow Forecast.

89. As required by law, TNCC purchases all of its cannabis inventory from the OCS. As such, TNCC's relationship with the OCS is critical to its business. Any interruption in supply from the OCS would have a material adverse impact on TNCC's business

Post-filing payments to Secured Creditors

90. The proposed Initial Order authorizes the Debtors to pay, with the consent of the Monitor, Secured Creditors in accordance with the Cash Flow Forecast, in order to ensure that the Debtors continue to enjoy the confidence of these major creditors – whose support is essential to the Debtors' successful restructuring under the CCAA.

91. At the Comeback Hearing, Vancor intends to seek, through the ARIO, the authorization for the Debtors to continue to pay Secured Creditors, with the consent of the Monitor and in accordance with the Cash Flow Forecast, for the pendency of this CCAA proceeding.

-23-

Sealing the CRO Engagement

92. The proposed Initial Order provides that the unredacted copy of the CRO Engagement be sealed and not form part of the public record until further Order of the Court.

93. The unredacted CRO Engagement includes a breakdown of the CRO's fees, which the Applicant seeks to keep confidential and not part of the public record.

94. The CRO in this case is an individual, and individuals have the reasonable expectation that their personal and financial information will be kept confidential and not form part of the public record.

95. There are no satisfactory alternatives to the sealing order in the circumstances. Further, no stakeholders will be materially prejudiced by sealing the unredacted CRO Engagement, and the salutary effects of granting the sealing order outweigh any deleterious effects.

General

96. The provisions of the CCAA including sections 2, 3, 10(2), 11, 11.02, 11.2, 11.6.

97. Rules 2.03, 3.02, 14.05, 16.04, and 38 of the Rules of Civil Procedure, R.R.O. 1990, Reg 194, as amended.

98. The statutory, inherent and equitable jurisdiction of this Honourable Court.

99. Such further and other grounds as counsel may advise and this Honourable Court may permit.

-24-

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

100. The Affidavit of Corry Van Iersel, affirmed January 23, 2025;
101. The Pre-Filing Report, to be filed;
102. The consent of Deloitte to act as Monitor.
103. Such further and other material as counsel may submit and this Court may permit.

January 23, 2025

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO# 49313K
Email: lellis@millerthomson.com
Tel: 416.595.8639

David S. Ward LSO# 33541W
Email: dward@millerthomson.com
Tel: 416.595.8625

Patrick Corney LSO# 65462N
pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group
Inc.

Court File No.

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED (d/b/a True North Cannabis Co.), 2744364 ONTARIO LIMITED
(d/b/a Bamboo Blaze), AND 2767888 ONTARIO INC.

Respondents (Debtors)

SERVICE LIST
(as of January 23, 2025)

NAME	METHOD OF DELIVERY	ROLE/INTEREST
MILLER THOMSON LLP 40 King Street West, Suite 5800 Toronto, ON M5H 3S1 Larry Ellis lellis@millerthomson.com Tel: 416.595.8639 David Ward dward@millerthomson.com Tel: 416.595.8625 Patrick Corney pcorney@millerthomson.com Tel: 416.595.8555	Email	Counsel to the Applicant

- 4 -

DELOITTE RESTRUCTURING INC. 8 Adelaide Street West Toronto, ON M5H 0A9 Todd Ambachtsheer tambachtsheer@deloitte.ca Tel: 416.607.0781	Email	Monitor
BLANEY MCMURTRY LLP 2 Queen Street East, Suite 1500 Toronto, Ontario M5C 3G5 David T. Ullmann dullmann@blaney.com 416.596.4289 Alexandra Teodorescu ateodorescu@blaney.com 416.596.4279 Anisha Samat asamat@blaney.com 416.593.3924	Email	Counsel to the Monitor
Shawn Dym sdym@yorkplains.com	Email	Proposed Chief Restructuring Officer
Kenneth Schaller 51 Main Street, 302 Cambridge, ON, N1R 1V6, Canada ken@cannacloudconsulting.ca	Email	
Alena Hapanovich 960 King Street East, 7 Cambridge, ON, N3H 3P3	Courier	
Corry Van Iersel 84 Brewster Place Cambridge, ON, N3C 3T9 Corry@vancorgroup.com	Email	

- 5 -

BORDEN LADNER GERVAIS LLP Bay Adelaide Centre, East Tower, 22 Adelaide St W #3400 Toronto, ON M5H 4E3 Jasmine Lothian JLothian@blg.com Tel: 416.367.6452 Kevin Lambie KLambie@blg.com Tel: 416.367.7290	Email	Counsel for the Respondents (Debtors)
MPG LAW PROFESSIONAL CORPORATION 25 Mill Street North, PO Box 770 Waterdown, ON L0R 2H0 Mathew Glowacki mglowacki@mpglaw.ca Tel: 905.512.4711	Email	Litigation counsel to Kenneth Schaller
THORNTON GROUT FINNIGAN LLP 100 Wellington Street West Suite 3200 Toronto-Dominion Centre Toronto ON M5K 1K7 D.J. Miller djmiller@tgf.ca Tel: 416.304.0559	Email	Counsel to Firm Capital Mortgage Fund Inc.
SMITHVALERIOTE LAW FIRM LLP Barristers and Solicitors 245 Hanlon Creek Boulevard, Unit 102 Guelph, ON N1C 0A1 Trenton Johnson tjohnson@svlaw.com Ben Grant bgrant@svlaw.ca Tel : 519.837.2100	Email	Lawyers for Garas Family Holdings Inc.
LANDLORDS		

- 4 -

2767888 ONTARIO INC. 5 697 Coronation Blvd, 5 Cambridge, Ontario, N1R 3G5, Canada Corry Van Iersel Corry@vancorgroup.com Kenneth Schaller ken@cannacloudconsulting.ca	Email	
METAL TREE INC. 32 Seguin Street Parry Sound, ON P2A 1B1	Courier	
SPORTSWORLD SHOPPING CENTRE INC. 4396 King Street East Kitchener, ON N2P 2G4	Courier	
TANDIA FINANCIAL CREDIT UNION LTD. 352 Queen Street East, Unit 4 Acton, ON L7J 1R2	Courier	
2375144 ONTARIO CORPORATION 1076 Cedar Street, Unit 3, Oshawa, ON L1J 3R9	Courier	
879011 ONTARIO LIMITED 715 Wellington Street West, Guelph, ON N1H 8L8	Courier	
726494 ONTARIO INC. 110 Broadway Street Tillsonburg, ON N1H 8L8	Courier	
THOMAS SCHMIDT 31 Ontario Street, Units 2 & 3 Grand Bend, ON N0M 1T0	Courier	
TORBILL HOLDINGS LTD. 43 Main Street Brighton, ON K0K 1H0	Courier	
1815513 ONTARIO INC. 170 McNaughton Avenue West Unit 9, Chatham, ON N7L 1R4	Courier	
MARVIN HERTZMAN HOLDINGS INC. 951 Gordon Street, Unit 8B Guelph, ON N1G 4S1	Courier	
MORTGAGE LENDERS		
METAL TREE INC. 65 Treanor Crescent Georgetown, Ontario L7G 5J1	Courier	Mortgage Lender to 2767888 Ontario Inc.

- 5 -

SEAVALE INCORPORATED 87 Marsh Drive North Bay, Ontario, P1B 8G3	Courier	Mortgage Lender to 2767888 Ontario Inc.
FIRM CAPITAL MORTGAGE FUND INC. 163 Cartwright Avenue Toronto, Ontario M6A 1V5	Courier	Mortgage Lender to 2767888 Ontario Inc.
GARAS, NASHAAT 124 Silver Maple Crescent Cambridge, ON, N1R5S6 GARAS FAMILY HOLDINGS INC. 124 Silver Maple Crescent Cambridge, ON, N1R5S6 MANAL GARAS PHARMACY PROFESSIONAL CORPORATION 124 Silver Maple Crescent Cambridge, ON, N1R5S6	Courier	Mortgage Lender to 2767888 Ontario Inc.
MUSKOKA REAL ESTATE SERVICES INC. 810 Bay Street Gravenhurst, ON P1P 1G7	Courier	Mortgage Lender to 2767888 Ontario Inc.
M.HIGGINS & ASSOCIATES INC. 17 Queen Street Campbellford, Ontario K0L 1L0	Courier	Mortgage Lender to 2767888 Ontario Inc.
818876 ONTARIO LTD. 69-1235 Radom St Pickering, Ontario, L1W 1J3	Courier	Mortgage Lender to 2767888 Ontario Inc.
ANASTADSIADIS VENIZELOS 279 Springbank Drive London, Ontario, N6J 1G3	Courier	Mortgage Lender to 2767888 Ontario Inc.
BANK OF MONTREAL 101-20 Erb St W, Marsland Center Waterloo, Ontario N2L 1T2	Courier	Mortgage Lender to 2767888 Ontario Inc.
GOVERNMENTAL AGENCIES		

- u -

CANADA REVENUE AGENCY c/o Department of Justice Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca Fozia Chaudary Fozia.Chaudary@justice.gc.ca Kevin Dias Kevin.Dias@justice.gc.ca	Email	Governmental Agency
OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge Street, 4th Floor Toronto, ON M5C 2W7 osbservice-bsfservice@ised-isde.gc.ca	Email	Governmental Agency
HEALTH CANADA Controlled Substances and Cannabis Branch 150 Tunney's Pasture Driveway Ottawa, ON K1A 0K9 Licensing and Security Division Emails: licensing-cannabis-licenses@hc-sc.gc.ca collections-recouvrement@hc-sc.gc.ca	Email	Governmental Agency
Ministry of Finance (Ontario) Legal Services Branch 777 Bay Street, 11th Floor Toronto, ON M5G 2C8 Email: insolvency.unit@ontario.ca	Email	

- / -

ALCOHOL AND GAMING COMISSION OF ONTARIO 90 Sheppard Avenue East Suite 200-300 Toronto, ON M2N 0A4 Nick Fera Email: nick.fera@agco.ca Sandra Lucas Email: sandra.lucas@agco.ca Ashley An Email: ashley.an@agco.ca	Email	
---	-------	--

EMAIL SERVICE LIST

Corry@vancorgroup.com; hdahrouj@tncc.ca; lellis@millerthomson.com;
pcorney@millerthomson.com; smassie@millerthomson.com; msarkis@millerthomson.com;
dward@millerthomson.com; hfox@millerthomson.com; tambachtsheer@deloitte.ca;
dullmann@blaney.com; ateodorescu@blaney.com; asamat@blaney.com;
sdym@yorkplains.com; ken@cannacloudconsulting.ca; JLothian@blg.com; KLambie@blg.com;
mglowacki@mpglaw.ca; hbouchard@procepack.com; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; osbservice-bsfservice@ised-isde.gc.ca; licensing-cannabis-licenses@hc-sc.gc.ca; collections-recouvrement@hc-sc.gc.ca; Fozia.Chaudary@justice.gc.ca;
Kevin.Dias@justice.gc.ca; tjohnson@svlaw.com; bgrant@svlaw.ca; sgadbois@watlaw.ca;
mglowacki@mpglaw.ca; mglowacki@mpglaw.ca; insolvency.unit@ontario.ca;
nick.fera@agco.ca; sandra.lucas@agco.ca; ashley.an@agco.ca

THE VANCOR GROUP INC.
Applicant

and

2744364 ONTARIO LIMITED, *ET AL*
Respondents (Debtors)

Court File No.

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at
Toronto

NOTICE OF APPLICATION

MILLER THOMSON LLP

Scotia Plaza

40 King Street West, Suite 5800

P.O. Box 1011

Toronto ON M5H 3S1

Larry Ellis LSO# 49313K

Email: lellis@millerthomson.com

Tel: 416.595.8639

David S. Ward LSO# 33541W

Email: dward@millerthomson.com

Tel: 416.595.8625

Patrick Corney LSO# 65462N

pcorney@millerthomson.com

Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.

TAB 2

Court File No. CV-25-00735482-00CL

**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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

- and -

2744364 ONTARIO LIMITED (O/A TRUE NORTH CANNABIS CO.),
2668905 ONTARIO INC. (O/A BAMBOO BLAZE), AND 2767888 ONTARIO
INC.

Respondents (Debtors)

**AFFIDAVIT OF CORRY VAN IERSEL
(Sworn January 23, 2025)**

January 23, 2025

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Larry Ellis LSO# 49313K
Email: lellis@millerthomson.com
Tel: 416.595.8639

David S. Ward LSO#: 33541W
Email: dward@millerthomson.com
Tel: 416.595.8625

Patrick Corney LSO# 65462N
Email: pcorney@millerthomson.com
Tel: 416.595.8555

Lawyers for the Applicant

TABLE OF CONTENTS

I. OVERVIEW.....	3
II. OVERVIEW AND URGENT NEED FOR RELIEF.....	6
III. THE APPLICANT: VANCOR.....	8
IV. OVERVIEW OF THE DEBTORS.....	8
A. TNCC	8
B. Bamboo Blaze	8
C. 888.....	9
D. The Debtors' ownership, directors, and officers	9
E. Cannabis licences	11
F. Leases	12
G. Employees	12
H. Suppliers.....	13
I. Cash Management System	14
V. FINANCIAL CIRCUMSTANCES AND CASH FLOW FORECAST.....	16
A. Assets	16
B. Liabilities.....	17
C. Cash Flow Forecast	18
VI. CREDITORS.....	19
A. Secured Creditors	19
B. Unsecured Creditors.....	21
C. HST and payroll remittance obligations.....	25
D. Contingent claims.....	25
VII. CHALLENGES FACED BY THE DEBTORS.....	25
A. TNCC and Bamboo Blaze cannot be properly managed	25
B. 888 cannot be properly managed	27
VIII. CCAA PROCEEDINGS AND RELIEF SOUGHT	28
A. Urgent need for relief under the CCAA	28
B. Appointment of Monitor	30
C. Chief Restructuring Officer.....	31
D. Stay of Proceedings	32
E. Administration Charge	32
F. Approval of the DIP Term Sheet and DIP Lender's Charge.....	33
G. Authority to pay pre-filing supplier obligations.....	35
H. Ability to pay pre-and-post-filing principal and interest.....	36
I. Sealing the CRO Engagement.....	36
IX. FORM OF ORDER AND CONCLUSION.....	37

AFFIDAVIT OF CORRY VAN IERSEL
(Sworn January 23, 2025)

I, **Corry Van Iersel**, of the City of Cambridge in the Regional Municipality of Waterloo, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

I. OVERVIEW

1. This is a creditor-initiated application for an initial order (“**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (“**CCAA**”).

2. The applicant creditor is The Vancor Group Inc. (“**Vancor**”), of which I am the President and sole shareholder. I am also an officer and director of each of the proposed Debtors (defined below) and hold direct and direct equity interests in each of the Debtors. As such, I have personal knowledge of the matters hereinafter deposed. If I have obtained information from others, I state the source of the information and believe it to be true.

3. This affidavit is sworn in support of Vancor’s application for an Initial Order that, among other things:

- (a) abridges and validates the time for service of the notice of application and the application record and dispenses with further service thereof;
- (b) declares that 2744364 Ontario Limited (o/a True North Cannabis Co.) (“**TNCC**”), 2668905 Ontario Limited (o/a Bamboo Blaze) (“**Bamboo Blaze**”), and 2767888 Ontario Inc. (“**888**”) (together, “**Debtors**”) are debtor companies to which the CCAA applies;
- (c) appoints Deloitte Restructuring Inc. (“**Deloitte**” or the “**Monitor**”) as Monitor of the business and financial affairs of the Debtors;

- (d) appoints Shawn Dym as the Chief Restructuring Officer (“**CRO**”) of the Debtors and approves an engagement letter between the proposed CRO and the Debtors (“**CRO Engagement**”);
- (e) seals an unredacted copy of the CRO Engagement;
- (f) stays, for an initial period of not more than 10 days (“**Initial Stay Period**”), all proceedings and remedies taken or that might be taken in respect of the Debtors and their respective directors, employees, and representatives (“**Stay of Proceedings**”);
- (g) approves an interim financing term sheet dated January 23, 2025 (“**DIP Term Sheet**”) between Vancor, as lender (in that capacity, “**DIP Lender**”), and the Debtors, as borrowers, under which the DIP Lender has agreed to advance to the Debtors the maximum aggregate principal amount of \$2,000,000, plus interest, fees, and costs (“**DIP Facility**”) of which an initial amount of \$900,000, plus interest, fees and costs (“**Initial DIP Advance**”) will be advanced during the Initial Stay Period;
- (h) grants the following priority charges (“**Charges**”) against the Debtors’ assets, undertakings, and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof (“**Property**”), which Charges shall have the priority given to them in the Initial Order;
- (i) an “**Administration Charge**” in the maximum amount of \$350,000 as security for the payment of the fees and disbursements of the Monitor and its counsel, the CRO, counsel to the Debtors, and counsel to Vancor; and

- (ii) a “**DIP Lender’s Charge**” in the maximum principal amount of \$900,000 (plus interest, fees, and costs);
 - (i) authorizes the Debtors to pay pre-filing amounts owed to the Ontario Cannabis Store, with the consent of the proposed Monitor and in accordance with the Cash Flow Forecast (defined herein);
 - (a) authorizes the Debtors to pay pre-and-post filing amounts payable to the Debtors’ eight secured creditors (defined below), in accordance with the Cash Flow Forecast;
 - (b) authorizes the Debtors to continue to use their existing Cash Management System (defined below); and
 - (c) orders a comeback hearing on a date to be scheduled (“**Comeback Hearing**”).
4. The proposed Initial Order includes only the relief necessary for Vancor to maintain *status quo* during the Initial Stay Period.
5. If the proposed Initial Order is granted, at the Comeback Hearing, Vancor intends to seek approval of an amended and restated Initial Order (“**ARIO**”), substantially in the form of the Ontario Superior Court of Justice (Commercial List) model CCAA initial order. The ARIO would, among other things:
- (a) extend of the Stay of Proceedings;
 - (b) grant a charge against the Property, as security for the Debtors’ obligations to indemnify their directors and officers from the obligations and liabilities they may incur as directors and officers of the Debtors after the commencement of the within CCAA proceeding, except for gross negligence or wilful misconduct;

- (c) increase the permitted borrowing under the DIP Facility to the maximum principal amount of \$2,000,000 (plus interest, costs, and expenses); and
- (d) increase the quantum of the Administration Charge and the DIP Lender's Charge.

6. All monetary amounts referred to in this affidavit are in Canadian dollars, unless otherwise noted.

II. OVERVIEW AND URGENT NEED FOR RELIEF

7. Vancor is by far the largest creditor of the proposed Debtors, having provided debt financing in excess of \$23 million in principal over four years on an unsecured basis.

8. Vancor's involvement with the Debtors began in late 2020, when Vancor began advancing funds to support the development and expansion of the Debtors' business. Monies invested by Vancor have been used to, among other things, (a) meet the Debtors' ordinary course operating obligations, such as employee salaries and inventory purchases; and (b) purchase equipment and support all manners of capital expenditures critical to the development of the Debtors' business.

9. As detailed below, a proceeding under the CCAA is necessary and urgently required for three main reasons: (a) the Debtors are facing the maturity of significant secured debt on May 1, 2025, which obligations they cannot currently refinance and are unable to repay; (b) Vancor's debt is currently due and payable with no available means of repayment, despite Vancor's accommodations, including the provision of an opportunity to secure financing through an out-of-court process; and (c) projected cash flows demonstrate that the Debtors cannot meet early ordinary course commitments such as significant payroll obligations.

10. A court-supervised restructuring process, with the oversight and guidance of an independent Monitor and CRO, provides the highest probability of achieving a going-concern and value-maximizing investment or sale transaction for the benefit of all stakeholders, including (a) the repayment or refinancing of monies owed to creditors; and (b) the preservation of jobs for the Debtors' 285 employees, services to the Debtors' customers, and supply relationships with the Debtors' vendors.

11. A proceeding under the CCAA is not only strategically essential, but immediately required. The secured loans imminently coming due are collateralized by mortgages over 27 of the Debtors' 41 real properties, which are integral to the long-term viability of the Debtors' business, meaning their loss would severely disrupt operational continuity and value generation.

12. The proposed DIP Term Sheet, which financing is only available in a CCAA proceeding, will allow the Debtors to address their immediate liquidity needs, including payroll obligations due at the end of January, and otherwise support the restructuring and sustain operations through the projected Cash Flow Period (defined below).

13. The authorities and protections of a CCAA proceeding will afford the Debtors time and opportunity to explore refinancing options and engage with stakeholders in a controlled environment. This addresses the risk of disorderly enforcement actions, preserves value for stakeholders, and positions the Debtors for long-term success.

14. In the early course of these proceedings, Vancor intends to return for a motion seeking court approval of a sale and investment solicitation process ("SISP") regarding a financial or strategic investment in, or purchase of, the Debtors' business.

III. THE APPLICANT: VANCOR

15. The Applicant, Vancor, is a corporation incorporated pursuant to the laws of the Province of Ontario. I am the sole director and shareholder of Vancor. Attached as **Exhibit “A”** is a corporate profile report for Vancor dated January 16, 2025.

16. Vancor is in the business of (a) owning real property assets, and (b) lending money and making investments in the real estate industry.

IV. OVERVIEW OF THE DEBTORS

A. TNCC

17. TNCC is a corporation incorporated pursuant to the laws of the province of Ontario, with its registered head office located at 960 King Street East, Unit 7, Cambridge, Ontario.

18. TNCC owns and operates 48 retail cannabis dispensaries in Ontario, as well as an online storefront (“**Online Storefront**”). The Online Storefront supports direct-to-consumer cannabis sales and deliveries in Ontario, whereby customers can order products for pickup at a TNCC dispensary. Attached as **Exhibit “B”** is a corporate profile report for TNCC dated January 16, 2025.

B. Bamboo Blaze

19. Bamboo Blaze is a corporation incorporated pursuant to the laws of Ontario, with its registered head office located at 697 Coronation Boulevard, Unit 5, Cambridge, Ontario.

20. Bamboo Blaze is a supplier of, (a) personal protective equipment (such as masks, medical gowns, and gloves) to cannabis producers, and (b) cannabis accessories (such as cannabis grinders,

rolling papers, and bongs) to cannabis retailers (including TNCC). Attached as **Exhibit “C”** is a corporate profile report for Bamboo Blaze dated January 16, 2025.

C. 888

21. 888 is a corporation incorporated pursuant to the laws of the province of Ontario, with its registered head office located at 697 Coronation Boulevard, Suite 5, Cambridge, Ontario.

22. 888 is a real estate holding company and landlord of TNCC pursuant to commercial lease agreements. 888 owns 41 properties, 40 of which are occupied by TNCC's retail dispensaries.¹ Attached as **Exhibit “D”** is a corporate profile report for 888 dated January 16, 2025.

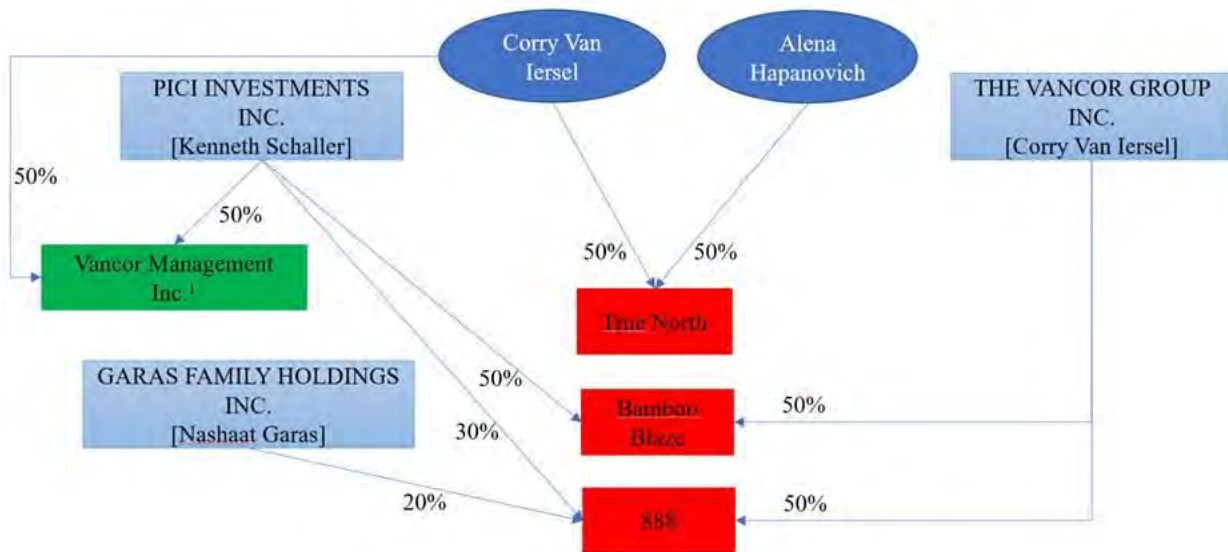
23. A table summarizing 888 real property interests is attached hereto as **Exhibit “E”**. 888 is current on all of its property tax obligations.

D. The Debtors’ ownership, directors, and officers

24. The Debtors are three of six businesses currently owned or controlled by (i) me and/or Vancor, and (ii) PICI Investments Incorporated (“**PICI**”) or Alena Hapanovich (“**Hapanovich**”), the common-law spouse of PICI’s principal, Kenneth Schaller (“**Schaller**”). Copies of unanimous shareholders agreements regarding each of the Debtors are attached hereto as **Exhibits “F”, “G”** and “**H**”.

25. A corporate chart reflecting the ownership interests in the Debtors follows:

¹ A non-Debtor entity, Vancor Management Inc., operates as 888’s property manager.



“True North” means 2744364 Ontario Limited (o/a True North Cannabis Co.)

“Bamboo Blaze” means 2668905 Ontario Inc. (o/a Bamboo Blaze)

“888” means 2767888 Ontario Inc.

¹ Vancor Management Inc. is the property manager for 888 and is not an owner of any of True North, Bamboo Blaze, or 888.

26. The Debtors’ directors and officers are me, and Schaller² or Hapanovich, as set out below:

Debtor	Directors	Officers
TNCC	Van Iersel Hapanovich	Van Iersel – President/Treasurer Hapanovich – Vice President/Secretary
Bamboo Blaze	Schaller Van Iersel	Schaller – President Van Iersel – Secretary/Treasurer
888	Schaller Van Iersel	Schaller – President Van Iersel – Secretary/Treasurer

² As described herein, although nominally having the roles set out below, Schaller and Hapanovich have fully withdrawn from the businesses and are barred by court order from having anything to do with the businesses.

E. Cannabis licences

27. As a cannabis retailer, TNCC is regulated by the *Cannabis Act* (Canada) and applicable provincial and municipal cannabis legislation. In Ontario, cannabis retail activities are governed by specific provincial regulations that require retailers to be licensed before any cannabis is sold. The licensing process is overseen by the Alcohol and Gaming Commission of Ontario (“AGCO”), which assesses the suitability of store locations (e.g., their proximity to schools) and the adequacy of security measures to prevent unauthorized access to cannabis.

28. Operating a cannabis retail store in Ontario requires two forms of corporate-level approval from the AGCO: a “Cannabis Retail Operator License” is necessary to own a cannabis retailer; and every operating brick-and-mortar location must hold a “Cannabis Retail Store Authorization”. The Cannabis Retail Operator License ensures that cannabis retail operations are owned by appropriate parties. The Cannabis Retail Store Authorization ensures that the AGCO’s physical business requirements are met, for example, that cannabis is not visible from outside the store and that cannabis products are securely stored and accessible only by staff.

29. TNCC has one Cannabis Retail Operator License and 48 Cannabis Retail Store Authorizations.

30. Cannabis Retail Store authorizations are given for a two-year term. The renewal fee for each license is \$3500. During the expected pendency of this CCAA proceeding, 15 of TNCC’s Cannabis Retail Store Authorizations will be due for renewal and the Cash Flow Forecast contemplates that they will be paid in the ordinary course (supported by requested interim financing).

31. In addition, individual cannabis retail store managers must hold a Retail Manager License. TNCC's retail store managers have such licenses.

F. Leases

32. TNCC operates out of leased premises. Forty of its 48 stores are located on real property that it leases from 888 ("**888 Leases**"). Each lease is essentially identical, except for the location and start date. TNCC's other eight retail locations are leased from arm's length landlords ("**Arm's Length Leases**"). TNCC does not sublease any of its leased premises. A copy of a table summarizing TNCC's lease obligations is attached hereto as **Exhibit "I"**.

33. TNCC pays all of its lease obligations on a monthly basis, on the first day of each month. Payments under the 888 Leases are made to 888's property manager – Vancor Management Inc. – who then remits payment to 888. Payments under the Arm's Length Leases are made directly by TNCC to the applicable landlord.

34. 888 is not a tenant under any commercial lease.

35. Bamboo Blaze is not a landlord nor a tenant under any commercial lease.

G. Employees

36. As of the date of this affidavit, the Debtors, exclusively through TNCC, employ 285 people ("**Employees**"). Six TNCC Employees also perform tasks for 888 and Bamboo Blaze on an *ad hoc* basis. 106 Employees are employed on a full-time basis and hold managerial and retail staff roles; 179 Employees are employed on a part-time basis and the part-time Employees consist entirely of retail staff.

37. Employees are paid bi-weekly in arrears. TNCC is current on its payroll at this time. If the DIP Facility is approved by the court at the Comeback Hearing, TNCC will use advances thereunder to, among other things, meet payroll in the ordinary course.

38. No Employees are unionized or otherwise party to a collective agreement in connection with their employment with TNCC.

39. TNCC does not sponsor, administer, or otherwise have any registered or unregistered pension plans. TNCC provides a full benefits package to Employees that covers, among other things, medical assistance and extended health services, dental care, accidental death and dismemberment insurance, life insurance, and critical illness insurance. The scope of coverage varies depending on the employee.

H. Suppliers

TNCC retail

40. In Ontario, cannabis retailers must – by law – purchase all of their cannabis inventory from the Ontario Cannabis Store (“OCS”). TNCC purchases nearly \$1,000,000 of inventory from the OCS per week. As such, TNCC’s relationship with the OCS is critical to its business. Any interruption in supply from the OCS would have a material adverse impact on TNCC’s business.

41. TNCC also retails cannabis accessories, which it purchases from Bamboo Blaze and third party suppliers.

TNCC infrastructure

42. In addition to cannabis and cannabis accessories, TNCC relies on several other services, including, without limitation: point-of-sale; inventory protection and security (including alarm

monitoring, close circuit television monitoring, access key card management, lock and store key managers, and online security software and services providers); website hosting and online payment processing; insurance; utilities, and delivery routing.

Bamboo Blaze

43. Bamboo Blaze has limited active supplier relationships at this time. The business is adequately stocked and there is no immediate need for new inventory after sale to TNCC. Bamboo Blaze maintains an ongoing relationship with a supplier of vaporizer cartridges, which it sells to licensed cannabis producers (not TNCC).

888

44. 888 has no third-party supplier relationships. As indicated, 888 relies upon a related party company – Vancor Management Inc. – for property management services.

I. Cash Management System

45. In the ordinary course of business, the Debtors use a centralized banking and cash management system (as described in this section, “**Cash Management System**”) to, among other things, collect funds and pay expenses associated with their operations.

46. The Debtors’ have four bank accounts as described below.

- (a) TNCC: One deposit chequing account with TD Bank and one operating chequing account with TD Bank. All of TNCC’s receipts are paid into the deposit account and all of TNCC’s disbursements are made out of the operating account.

(b) 888: One chequing account with TD Bank that is used for receipts and disbursements.

(c) Bamboo Blaze: One chequing account with TD Bank that is used for receipts and disbursements.

47. TNCC's credit and debt card transactions at retail locations are processed by Merrco, a payment services provider focused on the cannabis industry, while cash handling and transfers are preformed by Employees making branch deposits at TD.

48. TNCC does not accept online payments for its products. The Online Storefront allows customers to place orders for pickup at a TNCC retail location. Payment is made at the pickup location.

49. TNCC uses Dext Automated Accounting to permit Employees to submit expenses for approval. Employees upload their expense receipts to Dext, which are then reviewed by the senior bookkeeper.

50. The Debtors have no corporate credit cards.

51. Historically, the Debtors would make intercompany transfers to address immediate liquidity needs. If the proposed Initial Order is granted, intercompany transfers will only be made with prior approval of the Monitor, with the exception of TNCC's rent payments under the 888 Leases – as described above.

52. The Debtors' accounting department reviews and reconciles the bank accounts on a monthly basis. The Debtors accounting department also reviews cash receipts and disbursements on a weekly basis, including forecasting weekly cash flow and comparing the forecast to actuals.

53. The Debtors propose to continue to use the Cash Management System in the normal course throughout the CCAA proceeding.

V. FINANCIAL CIRCUMSTANCES AND CASH FLOW FORECAST

54. The Debtors have historically maintained limited financial statements. They have balance sheets that are updated on a quarterly basis. Copies of the most recent balance sheets, as at December 31, 2024 (“**Balance Sheets**”) are attached hereto as **Exhibit “J”**, “**K**”, and “**L**”, respectively. The Balance Sheets were prepared by the Debtors’ VP of Finance, Heithem Dahrouj.

A. Assets

TNCC

55. As at November 30, 2024, TNCC had total assets of approximately \$15,817,988 consisting of approximately \$7,451,493 of current assets and approximately \$8,616,495 of non-current assets.

56. Current assets were comprised primarily of cash; inventory; accounts receivable; and prepaid expenses.

57. Non-current assets were comprised primarily of property, plant and equipment.

Bamboo Blaze

58. As at January 19, 2025, Bamboo Blaze had total assets of approximately \$2,727,373 consisting entirely of current assets, comprised entirely of accounts receivable and inventory.

888

59. As at December 31, 2024, 888 had total assets of approximately \$19,208,824, consisting of approximately \$121,787.97 of current assets and approximately \$19,087,036 of non-current assets.

60. Current assets were comprised entirely of accounts receivable.

61. Non-current assets were comprised entirely of property, plant and equipment.

B. Liabilities

TNCC

62. As at November 30, 2024, TNCC had liabilities totalling approximately \$25,301,507, consisting of approximately \$4,713,742 of current liabilities and \$20,587,765 of non-current liabilities.

63. Current liabilities were comprised primarily of accounts payable, accrued liabilities, and intercompany loans.

64. Non-current liabilities were comprised primarily of Shareholder Loans (as defined herein).

Bamboo Blaze

65. As at January 19, 2025, Bamboo Blaze had liabilities totalling approximately \$3,610,055, consisting of current liabilities of approximately \$342,662 and non-current liabilities of approximately \$3,267,432.

66. Current liabilities were comprised entirely of accounts payable.

67. Non-current liabilities were comprised primarily of Shareholder Loans.

888

68. As at December 31, 2024, 888 had liabilities totalling approximately \$20,853,679, consisting current liabilities of approximately \$1,303,049 and non-current liabilities of approximately \$19,550,629.

69. Current liabilities were comprised entirely of accounts payable.

70. Non-current liabilities were comprised primarily of the Firm Capital Loan and Shareholder Loans.

C. Cash Flow Forecast

71. The Debtors' finance team, with the assistance of the Monitor, has prepared a projected 15-week cash flow forecast ("**Cash Flow Forecast**") for the week ending May 4, 2025 ("**Cash Flow Period**"). The Cash Flow Forecast is premised on the Initial Order being granted and the DIP Term Sheet being approved thereunder.

72. The Cash Flow Forecast is a reasonable projection of the Debtors' cash flow. I understand that a copy of the Cash Flow Forecast will be attached to Deloitte's pre-filing report to the court ("**Pre-Filing Report**"), and will be accompanied by the mandatory representations in accordance with the CCAA.

73. The Cash Flow Forecast estimates that the Debtors will require up to \$1,500,000 in interim financing over the upcoming 15 weeks. Up to approximately \$1,000,000 of interim financing is forecasted to be required over the Initial Stay Period.

VI. CREDITORS

A. Secured Creditors

74. The Debtors' secured creditors ("**Secured Creditors**") consist of a range of institutional and private lenders. Relevant particulars of the secured debt are summarized in the table attached hereto as **Exhibit "M"**.

75. Copies of the Ontario Personal Property Registration System search results for each of the Debtors, as at January 20, 2025 are attached hereto as **Exhibits "N", "O" and "P"**.

76. Copies of current parcel registers for each of the properties owned by 888 have been obtained and reviewed by Vancor's counsel and are available to the court and creditors upon request.

Firm Capital

77. 888 has 26 outstanding mortgages ("**Firm Capital Mortgages**") with Firm Capital Mortgage Fund Inc. ("**Firm Capital**"), securing a March 2022 credit facility in the aggregate amount of \$10 million ("**Firm Capital Loan**"). Approximately \$7.5 million is currently owing by 888 under the Firm Capital Loan. No further advances are permitted and the debtor has no ability to seek further draws (based on debt service requirements). The Firm Capital Loan is due May 1, 2025.

78. In addition to the Firm Capital Mortgages, the Firm Capital Loan is secured through a general assignment of rents given by 888 and is cross-collateralized through, (i) a general security agreement given by TNCC; and (ii) personal guarantees from Vancor and myself, and PICI and Schaller.

Bank of Montreal

79. 888 has one outstanding mortgage (“**BMO Mortgage**”) with the Bank of Montreal securing a \$1,347,500 principal loan (“**BMO Loan**”), which is payable upon demand. Approximately \$1,186,288 is currently outstanding under the BMO Loan. In addition to the BMO Mortgage, the BMO Loan is further secured by a general security agreement and assignment of rents given by 888.

Garas Holdings and related persons

80. 888 has three outstanding mortgages (“**Garas Mortgages**”) with all of Nashaat Garas, Garas Family Holdings Inc. (“**Garas Holdings**”), and Manal Garas Pharmacy Professional Corporation— securing a \$2,500,000 loan (“**Garas Loan**”). The Garas Loan matured on November 5, 2022 and has not been repaid (due to circumstances described below). Approximately \$2,500,000 remains outstanding under the Garas Loan.

M. Higgins & Associates Limited

81. 888 has an outstanding mortgage (“**Higgins Mortgage**”) to M. Higgins & Associates Limited, securing a \$360,000 loan (“**Higgins Loan**”) to 888. The Higgins Loan matures on April 1, 2026. Approximately \$360,000 remains outstanding under the Higgins Loan.

Metal Tree Inc.

82. 888 has an outstanding mortgage (“**Metal Tree Mortgage**”) to Metal Tree Inc., securing a \$723,750 loan (“**Metal Tree Loan**”) to 888. The Metal Tree Loan matures on August 1, 2025. Approximately \$723,750 remains outstanding under the Metal Tree Loan. The Metal Tree Loan is personally guaranteed by Schaller and me.

Seavale Incorporated

83. 888 has an outstanding mortgage (“**Seavale Mortgage**”) to Seavale Incorporated (“**Seavale**”) – securing a \$452,989 loan (“**Seavale Loan**”) to 888. The Seavale Loan matures on February 1, 2026. Approximately \$452,989 is currently outstanding under the Seavale Loan. The Seavale Loan is secured by the Seavale Mortgage.

Venizelos Anastasiadis

84. 888 has an outstanding mortgage (“**VA Mortgage**”), in the amount of \$450,000, to Venizelos Anastasiadis, securing a vendor-take back loan (“**VA Loan**”) made in connection with the acquisition of TNCC by myself and Hapanovich. The VA Loan matured on February 1, 2023.

818876 Ontario Ltd.

85. 888 has an outstanding mortgage (“**818 Mortgage**”) to 818876 Ontario Ltd., securing a \$374,500 loan (“**818876 Loan**”) to 888. The 818 Loan matures on March 31, 2026. Approximately \$374,500 remains outstanding under the 818 Loan.

B. Unsecured Creditors

86. The majority of the Debtors’ unsecured liabilities are Shareholder Loans owing to Vancor, as further described below.

87. In addition, as indicated in the 888 Balance Sheet, approximately \$1.5 million is owed by 888 to PICI pursuant to a shareholder loan.

88. The Debtors do not have material trade payables outside of TNCC’s obligations to the OCS, which obligations are significant but also current.

Vancor and its Shareholder Loans

89. Vancor is my personal holding company.

90. Since 2020, Vancor has financed the Debtors' operational and capital expenses through shareholder loans ("**Shareholder Loans**"), totalling approximately \$23 million (in principal) as of November 2024. These loans were funded through two primary sources: intercompany loans from Van Iersel Properties, a real estate holding company owned by me, which Van Iersel Properties financed via, among other sources, (i) a secured line of credit and/or real estate asset sales; and (ii) loans from Rebecca MacDonald, my common-law spouse.

91. As at January 16, 2025, the Shareholder Loans were outstanding in the following approximate principal amounts:

- (a) TNCC: \$18,187,770.02;
- (b) 888: \$4,991,143; and
- (c) Bamboo Blaze: \$2,855,299.

92. At the time the majority of the Shareholder Loans were advanced, the personal relationships between the Debtors' shareholders/management were strong. Given the closely held nature of the businesses, and the owners' trust in one another, promissory notes were not initially prepared and monies were advanced on an informal basis, without written loan documentation.

93. The Shareholder Loans were recorded as liabilities on the books and records of the Debtors and concomitantly treated as loans made by Vancor in its financial statements and tax filings.

94. At the time the Shareholder Loans were advanced, it was mutually understood and agreed that Vancor would be repaid as soon as commercially reasonable, or following demand by Vancor. This agreement was also based on the parties' longstanding trust in one another, as well confidence (at the time) in a shared vision for the companies' growth and success.

95. Schaller, Hapanovich, and I discussed and agreed that the loans would bear interest at 10% per annum. This is the rate that has been paid. At times, in an effort to accommodate the Debtors' urgent liquidity needs, Vancor has allowed interest to accrue. This was the case between August 2020 and December 2023 at which point accrued interest obligations totalled \$5,396,965. More recently, beginning in early 2024, the loans have been consistently serviced with monthly interest paid and accrued interest obligations reduced to \$4,036,151.

96. Vancor has lost confidence in the viability of the Debtors' business.

97. Ongoing shareholder disputes have reached a critical point, eroding trust completely between the Debtors' shareholders and their principals. This environment of mistrust is underscored by a barrage of accusations and counter-accusations surfacing in Litigation (defined and described below), which has in turn exacerbated tensions. Strategic business decisions, notably regarding the impending maturity of the Firm Capital Mortgages, can no longer be made.

98. Further, I need to monetize and realize upon – or at the very least protect – my debt investment in the Debtors in order to obtain the liquidity necessary to fund multi-million dollar personal obligations coming due in 2025.

99. Vancor, therefore, gave notice to the Debtors in November 2024 that it required repayment of the Shareholder Loans.

100. On December 18, 2024, Vancor and the Debtors, with the assistance of independent legal counsel, negotiated and executed a forbearance agreement (“**Forbearance Agreement**”) under which Vancor agreed to forbear from demanding the repayment of its Shareholder Loans while the Debtors continued to pursue investment and financing solutions sufficient to effect repayment of their respective Shareholder Loans (“**Repayment Transaction**”). Among other things, the Forbearance Agreement memorialized the principal amounts then outstanding under the Shareholder Loans, as well as interest. A copy of the Forbearance Agreement is attached hereto as **Exhibit “Q”**.

101. Due to my role as principal of Vancor and my management and ownership interests in the Debtors, I recused myself from making any decision on behalf of the Debtors in respect of the Forbearance Agreement and the matters addressed therein.

102. Following the execution of the Forbearance Agreement, the Debtors, through their VP of Finance (Heithem Dahrouj), independent of me, explored potential Repayment Transactions. I am advised by Heithem Dahrouj that he contacted at least six potential lenders and investors (both Schedule “A” banks and alternative lenders), as well as smaller private sources of capital. All parties contacted declined interest and willingness to pursue a Repayment Transaction, or other investment given the particular challenges facing the Debtors (as described herein) and the industry more generally.

103. The forbearance period expired on January 15, 2025, with no reasonable prospect of a Repayment Transaction having been identified.

C. HST and payroll remittance obligations

104. The Debtors accrue HST and payroll deduction liabilities in the normal course of operations. Payroll deductions are made bi-weekly, at the same time as Employees are paid. The Debtors' remit HST and payroll deductions on a monthly basis and are current on such obligations.

D. Contingent claims

105. The Debtors are subject to three active litigation claims. Two are disputes as amongst the Debtors' shareholders. The third is a wrongful dismissal claim brought – in Small Claims Court – by a former TNCC employee seeking \$67,500 in damages. A table summarizing the results of Ontario-wide litigation searches against the Debtors, and the status of each of the various proceedings, is attached hereto as **Exhibit "R"**.

VII. CHALLENGES FACED BY THE DEBTORS

A. TNCC and Bamboo Blaze cannot be properly managed

106. The ultimate beneficial owners and directors and executive management of TNCC and Bamboo Blaze are me and/or Schaller or Hapanovich.

107. Schaller and I were business partners for over 10 years. In addition to our interests in the Debtors, we also co-own a number of other businesses together. For the better part of those 10 years we had a close and collaborative business relationship founded on mutual trust and respect.

108. On or about March 2024, the relationship between me and Schaller began to fracture when I declined to loan him \$100,000 to prevent a property owned by Schaller from being lost to a power of sale proceeding.

109. Since the spring of 2024, the breakdown of our relationship has caused significant turmoil for our jointly owned businesses. On March 26, 2024, Schaller sent me a voice message, later deleted by Schaller after I had listened to it, stating, “I don’t care if we are broke, I don’t care if we don’t make payroll, I’m going to sabotage everything” – threatening to render Vancor’s investments in the Debtors (and our other jointly-held businesses) worthless. Around this time, Schaller and Hapanovich demanded that Hapanovich’s salary from TNCC be doubled, warning that failure to comply would result in Hapanovich shutting down TNCC’s bank accounts, preventing payroll processing.

110. In April 2024, Vancor and others issued a statement of claim (“**Oppression Litigation**”) against the Debtors, and other related persons and entities including Schaller and Hapanovich.

111. The Debtors are but three of ten defendants (“**Defendants**”) in the Oppression Litigation.

112. Importantly, the Oppression Litigation resulted in an April 26, 2024 order (“**Control Order**”) of Justice Gibson, made with the consent of the Defendants. The Control Order prohibits Schaller and Hapanovich from having any involvement in the Defendants’ operations or related businesses. It also grants me exclusive authority over the Defendants’ finances and banking – with the requirement to act reasonably and in the best interests of the companies – except for Garas Holdings, whose rights under the 888 unanimous shareholders agreement (“**888 USA**”) were preserved. A copy of the Control Order is attached hereto as **Exhibit “S”**. Copies of the pleadings in the Oppression Litigation are attached hereto as **Exhibits “T”, “U” and “V”**.

113. More recently, the Oppression Litigation, and the resultant Control Order, has been overtaken by the developing insolvency of certain of the Defendants, including the Debtors.

114. In August 2024, two of the Oppression Litigation defendants (non-Debtors) became subject to an initial order under the CCAA on the application of Vancor. (These entities emerged from CCAA protection in November 2024.)

115. In September 2024, Schaller and Hapanovich left Canada and moved to Thailand. They no longer have any involvement with the Debtors or the other businesses which they own with me.

116. Apart from the Control Order, the Oppression Litigation did not progress beyond a pleadings stage. The proceedings are essentially dormant. No hearing dates are scheduled. With the Control Order having been obtained and Schaller having moved to Thailand and otherwise withdrawn from having any active role in the companies, the Oppression Litigation has not been a priority for the parties.

B. 888 cannot be properly managed

117. As described above, Schaller, Garas Holdings, and I are the ultimate beneficial owners of 888. Schaller and I are the directors and executive management of 888.

118. Garas Holdings acquired its interest in 888 in November 2021, at which point it purchased 20% of PICI's then 50% interest in 888 for \$3,393,000.

119. In or about October 2023, Nashaat Garas ("**Nash**"), principal of Garas Holdings, approached Schaller and I regarding the shareholder loans we had made to 888. Nash alleged that he had not known about the 888 shareholder loans and, as such, overpaid for his shares.

120. Nash subsequently declined to accept interest or principal payments on account of the Garas Loan. He did so notwithstanding that 888 was in a position to make payment and attempted to honour all of its mortgage obligations.

121. Furthermore, since November 2023, Garas Holdings has refused (purportedly pursuant to Garas Holdings' rights under the 888 USA) to permit 888 to sell and monetize properties owned by 888 in order to rationalize its real estate portfolio and generate much-needed liquidity for the business. Garas Holdings' actions in this regard are detrimental to the operation of 888's business and are preventing 888 from generating the funds necessary to service and repay debt, including the Garas Loan, which matured in 2022, and the Firm Capital Loan – which is maturing imminently.

122. By August 2024, with the dispute between Nash, Schaller, and I still unresolved, Garas Holdings commenced a court application (“**888 Litigation**” and, together with the Oppression Litigation, “**Litigation**”) against Vancor, Schaller, PICI, 888, and me.

123. The 888 Litigation is focused on the circumstances under which Garas Holdings obtained its 20% equity interest in 888. In the 888 Litigation, Garas Holdings seeks, among other things, the repurchase by PICI of its investment in 888 or damages from all of the respondents. A copy of Garas Holdings' notice of application is attached hereto as **Exhibit “W”**. The 888 Litigation respondents have not yet served their responding materials.

124. The 888 Litigation is in the process of being briefed and is scheduled to proceed to a hearing on March 19, 2025. A copy of the most recent timetable order in the case is attached hereto as **Exhibit “X”**.

VIII. CCAA PROCEEDINGS AND RELIEF SOUGHT

A. Urgent need for relief under the CCAA

125. The Debtors are balance sheet insolvent and face an imminent liquidity crisis.

126. Given the upcoming Firm Capital maturity wall, the Debtors urgently need to take rational and expeditious steps to repay, refinance, or extend the Firm Capital Loan. However, for the reasons described herein, absent the proposed CCAA proceeding, the Firm Capital Loan cannot be dealt with in a timely manner.

127. As a result of the Firm Capital maturity wall and the demand under the VA Loan, 27 of TNCC's 48 retail storefront leases are at risk. Preserving the vertical integration structure of TNCC's lease holdings, through 888, will be essential to the turnaround of TNCC's business. In the highly regulated and hypercompetitive Canadian cannabis industry, fair and predictable real estate costs provide important cost advantages to cannabis retailers.

128. The Debtors also lack sufficient resources to repay, refinance or otherwise address the VA Loan, the Garas Loan, and the Shareholder Loans.

129. In the circumstances outlined herein, Vancor cannot reasonably be expected to further accommodate the Debtors and see its position eroded. Vancor is not prepared to continue to financially support the Debtors and requires the repayment of its loans.

130. With no feasible refinancing options available, the Debtors' operational and financial stability is dependant on access to the protections and restructuring provisions of the CCAA.

131. Delay in initiating a CCAA proceeding will jeopardize the Debtors' relationships with employees, customers, and suppliers and further erode the value of the Debtors' business for stakeholders.

132. A proceeding with the protections of the CCAA, including an independent Monitor and CRO, will provide the fastest and most efficient means of stabilizing the Debtors' businesses, including addressing the Litigation (if necessary), and obtaining repayment financing, which in

turn will maintain their going concern value and preserve jobs for 285 employees and customer and supplier relationships.

133. The Litigation affords no prospect of effectively addressing the now existential threats posed by the urgent requirement to make strategic business decisions, including preventing imminent secured creditor enforcement action, and managing the repayment of Firm Capital Loan, the Garas Loan, the VA Loan, and the Shareholder Loans.

134. Given the Debtors' insolvent and increasingly precarious financial position, Vancor, in consultation with its advisors and the Monitor, believes that the best path forward to an optimal outcome is the solicitation of a sale of or investment in the Debtors' business in the context of a court-approved and professionally run SISP.

B. Appointment of Monitor

135. The Monitor is a "trustee" within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has consented, subject to Court approval, to act as the Debtors' CCAA monitor.

136. The Monitor is not subject to any of the restrictions on who may be appointed as a monitor under the CCAA, as set out in section 11.7(2) of the CCAA.

137. The Monitor has reviewed, and assisted in the preparation of, the Debtors' cash flow forecast and has provided guidance and assistance in the commencement of these CCAA proceedings.

138. I understand that a copy of Deloitte's consent to act as Monitor will be attached to the Pre-Filing Report.

C. Chief Restructuring Officer

139. Vancor seeks the appointment of Shawn Dym as the CRO of the Debtors pursuant to the terms and conditions set out in the CRO Engagement.

140. Mr. Dym holds a Masters of Business Administration from Harvard Business School and has over ten years of experience in the cannabis sector. Mr. Dym is security cleared by Health Canada. Mr. Dym is currently an active owner and director of Decibel Cannabis Co, Inc., and is an advisor to Green Acre Capital, a private equity firm focused exclusively on the cannabis industry.

141. I believe Mr. Dym has the requisite knowledge and expertise on the regulatory landscape of the cannabis industry and is well suited to assist the Company, in consultation with the Monitor, throughout the proposed CCAA restructuring.

142. I understand that a redacted copy of the CRO Engagement will be attached to the Pre-Filing Report; and an unredacted copy will be filed with the court in a confidential appendix to the Pre-Filing Report. Redactions are only made regarding the compensation payable to Mr. Dym – which is comprised entirely of a monthly fee.

143. The CRO Engagement provides that for the Initial Stay Period, the CRO's role is proposed to be limited to review and reporting functions. Following the issuance of an ARIO, the CRO Engagement contemplates an expansion of the CRO's role to management-related functions, including the authority to negotiate with Firm Capital (and other secured creditors) on behalf of the Debtors.

144. The CRO will provide the Debtors with the stable and independent management necessary to preserve the Debtors' going concern value.

145. Due to the current management disputes within the Debtors, described above, I believe that the appointment of a CRO is reasonable and necessary.

146. The proposed CRO has consented to act in these proceedings.

147. I understand that the Monitor also believes that the appointment of a CRO is reasonable and necessary and supports the engagement of Mr. Dym as CRO, pursuant to the terms of the CRO Engagement.

D. Stay of Proceedings

148. The Debtors require the Stay of Proceedings to maintain the *status quo* and to provide the Debtors the breathing space they require to undertake the SISP under the direction and supervision of the Monitor. A proceeding with the protections of the CCAA will provide the fastest, most efficient, and least-stigmatic means of stabilizing the business, which in turn will maintain its going concern value and preserve jobs for the Debtors' 285 employees

149. The proposed Initial Order contemplates an Initial Stay Period of 10 days, up to and including February 3, 2025, in accordance with the CCAA.

150. The Cash Flow Forecast illustrates that the Debtors will have sufficient cash to operate through the proposed Initial Stay Period.

151. The Monitor supports Vancor's request for an Initial Stay Period.

E. Administration Charge

152. The Applicant seeks a super-priority charge ("**Administration Charge**") on the Debtors' Property (as defined in the draft Initial Order), up to a maximum amount of \$350,000, to secure

the fees and disbursements of the Monitor and its counsel, the proposed CRO, the Debtors' counsel, and Vancor's counsel, incurred both before and after the commencement of the CCAA proceedings.

153. Vancor's counsel and Deloitte and its counsel have been extensively involved in planning and preparing this initial application under the CCAA. It is contemplated that each of the aforementioned parties, as well as the CRO, (i) will have extensive involvement during the proposed CCAA proceedings; (ii) will continue to contribute to the restructuring of the Debtors; and (iii) will ensure that there is no unnecessary duplication of roles among the parties.

154. I understand that the Monitor has reviewed the proposed quantum of the Administration Charge and is of the view that it is reasonable and appropriate in the circumstances given the pre-filing services preformed by Vancor's counsel and the Monitor and its counsel, and the work required to be completed by these professionals and the CRO during the Initial Stay Period.

155. The Administration Charge is proposed to rank (i) subordinate to the security interests held by Firm Capital and (ii) in priority to all other security interests given by the Debtors and the DIP Lender's Charge.

156. At the Comeback Hearing, Vancor intends to increase the Administration Charge.

F. Approval of the DIP Term Sheet and DIP Lender's Charge

157. To fund the operations and restructuring costs of the Debtors during the CCAA proceeding, the Debtors have obtained an interim financing commitment from the DIP Lender subject to the terms and conditions set out in the DIP Term Sheet. An executed copy of the DIP Term Sheet is attached as **Exhibit "Y"**.

158. I am advised by Heithem Dahrouj, the Debtors' VP Finance, that prior to executing the DIP Term Sheet, the Debtors discussed financing terms with three potential alternative interim lenders, however in the circumstances described herein, none of the potential financiers were ultimately willing to lend into the situation.

159. The reasonableness of the business and economic terms of the proposed interim financing is the subject of analysis and commentary in the Pre-Filing Report of the Proposed Monitor.

160. The key terms and conditions of the DIP Term Sheet are as follows:

- (a) a maximum principal loan amount of \$2,000,000 (plus interest, fees, and costs), including an initial advance in the principal amount of 900,000;
- (b) interest accruing at a rate of 12% per annum, compounded and calculated on the daily outstanding principal balance;
- (c) a commitment fee of \$40,000, equal to 2% of the aggregate availability;
- (d) the reimbursement of the DIP Lender's reasonably incurred costs, including all legal expenses incurred by the DIP Lender in connection with the DIP Term Sheet, subject to the terms and conditions of the DIP Term Sheet;
- (e) payment of all accrued interest and fees up to the maturity date upon pre-payment of the loan;
- (f) a maturity date of the earlier of (i) May 30, 2025 or such later date as the DIP Lender agrees to in writing, (ii) implementation of a plan of compromise or arrangement, (iii) the closing of a sale transaction, (iv) the termination of the CCAA

proceedings, (v) the conversion of the CCAA proceeding into a proceeding under the *Bankruptcy and Insolvency Act*; and

- (g) advances under the DIP Facility are conditional upon Court approval of the DIP Term Sheet and the granting of a Court-ordered DIP Lender's Charge.

161. The DIP Facility is expected to provide sufficient liquidity to allow the Debtors to satisfy cashflow requirements and meet their obligations during the pendency of the CCAA proceeding. The DIP Lender requires all obligations under the DIP Term Sheet to be secured by a court-ordered priority charge.

162. The Initial Order contemplates a DIP Lender's Charge of \$900,000 (plus interest, fees, and costs) be granted and be subordinate to: Firm Capital's security, the Administration Charge and the security interests held by the Secured Creditors. The amount of the DIP Lender's Charge requested is limited to amounts reasonably necessary to be advanced to support the continued operations of the Debtors' businesses in the ordinary course during the Initial Stay Period.

163. At the Comeback Hearing, the Debtors intend to seek an increase to the DIP Lender's Charge up to a maximum principal amount of \$2,000,000 (plus interest, fees, and costs). The Cash Flow Projection estimated the need for approximately \$1,500,000 in interim financing during the Cash Flow Period, assuming no material negative variance.

G. Authority to pay pre-filing supplier obligations

164. The proposed Initial Order authorizes the Debtors to pay during the Initial Stay Period, and with the consent of the Monitor, pre-filing amounts owed to the Ontario Cannabis Store ("OSC"), in accordance with the terms of the DIP Term Sheet and the Cash Flow Forecast.

165. OCS is TNCC's sole supplier of cannabis inventory. Any interruption in supply would have a material adverse impact on TNCC's business.

166. Payment of OCS pre-filing obligations will support smooth and uninterrupted operations and preserve future value for the purpose of completing a proposed sale or investment transaction.

H. Ability to pay pre-and-post-filing principal and interest

167. The proposed Initial Order authorizes the Debtors to pay during the Initial Stay Period, and with the consent of the Monitor, pre-and-post-filing principal and/or interest to the Secured Creditors, in accordance with the terms of the DIP Term Sheet and the Cash Flow Forecast. This will mitigate adverse impacts of the filing and ensure that the Debtors continue to enjoy the confidence of secured stakeholders – whose support is essential to achieving restructuring objectives.

168. At the Comeback Hearing, Vancor intends to request authorization for the Debtors to continue to pay, with the consent of the Monitor and consistent with the terms of the DIP Term Sheet and the Cash Flow Forecast, post-filing principal and/or interest to secured creditors.

I. Sealing the CRO Engagement

169. The proposed Initial Order provides that the Confidential Appendix to the Monitor's Pre-Filing Report, consisting of an unredacted copy of the CRO Engagement, be sealed and not form part of the public record until further Order of the Court.

170. The unredacted CRO Engagement includes personal contact information for Mr. Dym and breakdown of the CRO's fees, which the Applicant seeks to keep confidential and not part of the public record.

171. The CRO in this case is an individual having the reasonable expectation that personal and financial particulars will be kept confidential and not form part of the full public record.

IX. FORM OF ORDER AND CONCLUSION

172. The Applicant, with the assistance of its legal and financial advisors, has determined that the proposed CCAA proceedings represent the best available strategy to maximize value for the Debtors' stakeholders in the circumstances.

173. I swear this affidavit in support of an Initial Order in the form contained at Tab 3 of the Application Record, and for no other or improper purpose.


AFFIRMED before me at the City of Toronto, in the Province of Ontario, with the deponent in the City of Orlando in the State of Florida this 23rd day of January, 2025 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely

Signed by:

6EDCCDB31BD748E...


Commissioner for Taking Affidavits

MRYAM SARKIS

Signed by:

11E7CF7231384C2...

CORRY VAN IERSEL

This is Exhibit “A” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS



Ministry of Public and
Business Service Delivery

Profile Report

THE VANCOR GROUP INC. as of January 16, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	THE VANCOR GROUP INC.
Ontario Corporation Number (OCN)	5024944
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Amalgamation	June 26, 2020
Registered or Head Office Address	697 Coronation Blvd., Unit 5, Cambridge, Ontario, N1R 3G5, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	CORRY VAN IERSEL
Address for Service	84 Brewster Place, Cambridge, Ontario, N3C 3T9, Canada
Resident Canadian	Yes
Date Began	June 26, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.
Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)

There are no active Officers currently on file for this corporation.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History

Name

THE VANCOR GROUP INC.

Effective Date

June 26, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Amalgamating Corporations

Corporation Name
Ontario Corporation Number

VANCOR PROPERTY MANAGEMENT LTD.
2282257

Corporation Name
Ontario Corporation Number

THE VANCOR GROUP INC.
1969382

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
Archive Document Package	May 16, 2023
CIA - Notice of Change PAF: Corry VAN IERSEL	February 17, 2022
BCA - Articles of Amalgamation	June 26, 2020

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

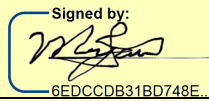
Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

This is Exhibit “B” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS



Ministry of Public and
Business Service Delivery

Profile Report

2744364 ONTARIO LIMITED as of January 16, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2744364 ONTARIO LIMITED
Ontario Corporation Number (OCN)	2744364
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	February 24, 2020
Registered or Head Office Address	960 King Street East, 7, Cambridge, Ontario, N3H 3P3, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name ALENA HAPANOVICH
Address for Service 960 King Street East, 7, Cambridge, Ontario, N3H 3P3, Canada
Resident Canadian Yes
Date Began October 15, 2020

Name CORNELIUS VAN IERSEL
Address for Service 960 King Street East, 7, Cambridge, Ontario, N3H 3P3, Canada
Resident Canadian Yes
Date Began October 15, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.
Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)

Name	ALENA HAPANOVICH
Position	Secretary
Address for Service	960 King Street East, 7, Cambridge, Ontario, N3H 3P3, Canada
Date Began	October 28, 2020

Name	ALENA HAPANOVICH
Position	Vice-President
Address for Service	960 King Street East, 7, Cambridge, Ontario, N3H 3P3, Canada
Date Began	October 28, 2020

Name	CORNELIUS VAN IERSEL
Position	President
Address for Service	960 King Street East, 7, Cambridge, Ontario, N3H 3P3, Canada
Date Began	October 28, 2020

Name	CORNELIUS VAN IERSEL
Position	Treasurer
Address for Service	960 King Street East, 7, Cambridge, Ontario, N3H 3P3, Canada
Date Began	October 15, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.
Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History

Name

2744364 ONTARIO LIMITED

Effective Date

February 24, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

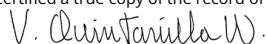
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report.

Additional historical information may exist in paper or microfiche format.

Active Business Names

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	301091724
Registration Date	October 01, 2020
Expiry Date	September 30, 2025
Name	TRU NORTH CANNABIS COMPANY
Business Identification Number (BIN)	300892445
Registration Date	August 17, 2020
Expiry Date	August 16, 2025
Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	311173991
Registration Date	August 04, 2021
Expiry Date	August 03, 2026
Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	301092284
Registration Date	October 01, 2020
Expiry Date	September 30, 2025
Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	301092052
Registration Date	October 01, 2020
Expiry Date	September 30, 2025
Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	311196836
Registration Date	August 10, 2021
Expiry Date	August 09, 2026
Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	311151427
Registration Date	July 28, 2021
Expiry Date	July 27, 2026
Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	310925003
Registration Date	June 09, 2021
Expiry Date	June 08, 2026

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300903028
Registration Date	August 19, 2020
Expiry Date	August 18, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300902111
Registration Date	August 19, 2020
Expiry Date	August 18, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	311070551
Registration Date	July 07, 2021
Expiry Date	July 06, 2026

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300902855
Registration Date	August 19, 2020
Expiry Date	August 18, 2025

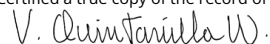
Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	310961032
Registration Date	June 15, 2021
Expiry Date	June 14, 2026

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	311104335
Registration Date	July 15, 2021
Expiry Date	July 14, 2026

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	310144597
Registration Date	January 28, 2021
Expiry Date	January 27, 2026

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300945631
Registration Date	August 28, 2020
Expiry Date	August 27, 2025

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300887585
Registration Date	August 17, 2020
Expiry Date	August 16, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	301033569
Registration Date	September 18, 2020
Expiry Date	September 17, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	311196786
Registration Date	August 10, 2021
Expiry Date	August 09, 2026

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300945664
Registration Date	August 28, 2020
Expiry Date	August 27, 2025

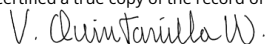
Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300901923
Registration Date	August 19, 2020
Expiry Date	August 18, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	301092003
Registration Date	October 01, 2020
Expiry Date	September 30, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300902806
Registration Date	August 19, 2020
Expiry Date	August 18, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300945789
Registration Date	August 28, 2020
Expiry Date	August 27, 2025

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300901832
Registration Date	August 19, 2020
Expiry Date	August 18, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300902723
Registration Date	August 19, 2020
Expiry Date	August 18, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300945599
Registration Date	August 28, 2020
Expiry Date	August 27, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300902954
Registration Date	August 19, 2020
Expiry Date	August 18, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	301092441
Registration Date	October 01, 2020
Expiry Date	September 30, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300902053
Registration Date	August 19, 2020
Expiry Date	August 18, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	311327779
Registration Date	September 15, 2021
Expiry Date	September 14, 2026

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	301092532
Registration Date	October 01, 2020
Expiry Date	September 30, 2025

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	301091849
Registration Date	October 01, 2020
Expiry Date	September 30, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	310283742
Registration Date	February 23, 2021
Expiry Date	February 22, 2026

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	310935416
Registration Date	June 10, 2021
Expiry Date	June 09, 2026

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	301092631
Registration Date	October 01, 2020
Expiry Date	September 30, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	311402044
Registration Date	October 04, 2021
Expiry Date	October 03, 2026

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	301091948
Registration Date	October 01, 2020
Expiry Date	September 30, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300945714
Registration Date	August 28, 2020
Expiry Date	August 27, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000008995
Registration Date	October 27, 2021
Expiry Date	October 26, 2026

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Name TRUE NORTH CANNABIS CO.
Business Identification Number (BIN) 1000009066
Registration Date October 27, 2021
Expiry Date October 26, 2026

Name TRUE NORTH CANNABIS CO.
Business Identification Number (BIN) 1000023075
Registration Date November 10, 2021
Expiry Date November 09, 2026

Name TRUE NORTH CANNABIS CO.
Business Identification Number (BIN) 1000023083
Registration Date November 10, 2021
Expiry Date November 09, 2026

Name TRUE NORTH CANNABIS CO.
Business Identification Number (BIN) 1000063604
Registration Date December 23, 2021
Expiry Date December 22, 2026

Name TRUE NORTH CANNABIS CO.
Business Identification Number (BIN) 1000081732
Registration Date January 13, 2022
Expiry Date January 12, 2027

Name TRUE NORTH CANNABIS CO.
Business Identification Number (BIN) 1000081736
Registration Date January 13, 2022
Expiry Date January 12, 2027

Name TRUE NORTH CANNABIS CO.
Business Identification Number (BIN) 1000081716
Registration Date January 13, 2022
Expiry Date January 12, 2027

Name TRUE NORTH CANNABIS CO.
Business Identification Number (BIN) 1000131711
Registration Date March 02, 2022
Expiry Date March 01, 2027

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000131728
Registration Date	March 02, 2022
Expiry Date	March 01, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000131726
Registration Date	March 02, 2022
Expiry Date	March 01, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000140957
Registration Date	March 10, 2022
Expiry Date	March 09, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000140991
Registration Date	March 10, 2022
Expiry Date	March 09, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000194280
Registration Date	May 04, 2022
Expiry Date	May 03, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000194302
Registration Date	May 04, 2022
Expiry Date	May 03, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000248873
Registration Date	July 04, 2022
Expiry Date	July 03, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000248884
Registration Date	July 04, 2022
Expiry Date	July 03, 2027

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000248885
Registration Date	July 04, 2022
Expiry Date	July 03, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000282995
Registration Date	August 11, 2022
Expiry Date	August 10, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000315295
Registration Date	September 19, 2022
Expiry Date	September 18, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000387740
Registration Date	December 13, 2022
Expiry Date	December 12, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000387739
Registration Date	December 13, 2022
Expiry Date	December 12, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000390318
Registration Date	December 15, 2022
Expiry Date	December 14, 2027

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	300911179
Registration Date	August 20, 2020
Expiry Date	August 19, 2025

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000448345
Registration Date	February 16, 2023
Expiry Date	February 15, 2028

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000448346
Registration Date	February 16, 2023
Expiry Date	February 15, 2028

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000571904
Registration Date	June 19, 2023
Expiry Date	June 18, 2028

Name	TRUE NORTH CANNABIS CO.
Business Identification Number (BIN)	1000571912
Registration Date	June 19, 2023
Expiry Date	June 18, 2028

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
BCA - Articles of Amendment	July 31, 2023
CIA - Notice of Change PAF: CORNELIUS VAN IERSEL - DIRECTOR	October 29, 2020
CIA - Notice of Change PAF: CORNELIUS VAN IERSEL - DIRECTOR	October 26, 2020
CIA - Notice of Change PAF: CORNELIUS VAN IERSEL - DIRECTOR	October 19, 2020
CIA - Notice of Change PAF: VENIZELOS ANASTASIADIS - DIRECTOR	September 15, 2020
CIA - Initial Return PAF: VENIZELOS ANASTASIADIS - DIRECTOR	June 24, 2020
BCA - Articles of Incorporation	February 24, 2020

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

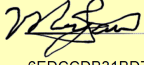
Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

This is Exhibit “C” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel oin the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS



Ministry of Public and
Business Service Delivery

Profile Report

2668905 ONTARIO INC. as of January 16, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2668905 ONTARIO INC.
Ontario Corporation Number (OCN)	2668905
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	December 04, 2018
Registered or Head Office Address	697 Coronation Boulevard, Unit 5, Cambridge, Ontario, N1R 3G5, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 5

Name KENNETH SCHALLER
Address for Service 51 Main Street, 302, Cambridge, Ontario, N1R 1V6, Canada
Resident Canadian Yes
Date Began December 06, 2018

Name CORRY VAN IERSEL
Address for Service 697 Coronation Boulevard, Unit 5, Cambridge, Ontario, N1R 3G5, Canada
Resident Canadian No
Date Began July 12, 2022

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)

Name

KENNETH SCHALLER

Position

President

Address for Service

51 Main Street, 302, Cambridge, Ontario, N1R 1V6, Canada

Date Began

December 06, 2018

Name

CORRY VAN IERSEL

Position

Treasurer

Address for Service

697 Coronation Boulevard, Unit 5, Cambridge, Ontario, N1R
3G5, Canada

Date Began

July 12, 2022

Name

CORRY VAN IERSEL

Position

Secretary

Address for Service

697 Coronation Boulevard, Unit 5, Cambridge, Ontario, N1R
3G5, Canada

Date Began

July 12, 2022

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History

Name

2668905 ONTARIO INC.

Effective Date

December 04, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

Name	BAMBOO BLAZE
Business Identification Number (BIN)	1000340796
Registration Date	October 18, 2022
Expiry Date	October 17, 2027

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: Daniel SEELEY-BAECHLER	August 10, 2022
CIA - Notice of Change PAF: Daniel SEELEY-BAECHLER	August 09, 2022
Annual Return - 2019 PAF: KENNETH SCHALLER - DIRECTOR	February 16, 2020
CIA - Initial Return PAF: DAN SEELEY-BAECHLER - OTHER	December 06, 2018
BCA - Articles of Incorporation	December 04, 2018

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

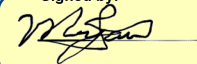
Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

This is Exhibit “D” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


6EDCCDB31BD748F

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS



Ministry of Public and
Business Service Delivery

Profile Report

2767888 ONTARIO INC. as of January 16, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2767888 ONTARIO INC.
Ontario Corporation Number (OCN)	2767888
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	July 23, 2020
Registered or Head Office Address	5 697 Coronation Blvd, 5, Cambridge, Ontario, N1R 3G5, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 5

Name KENNETH SCHALLER
Address for Service 51 Main Street, 302, Cambridge, Ontario, N1R 1V6, Canada
Resident Canadian Yes
Date Began July 23, 2020

Name CORRY VAN IERSEL
Address for Service 84 Brewster Place, Cambridge, Ontario, N3C 3T9, Canada
Resident Canadian Yes
Date Began July 23, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.
Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)

Name	KENNETH SCHALLER
Position	President
Address for Service	51 Main Street, 302, Cambridge, Ontario, N1R 1V6, Canada
Date Began	July 23, 2020

Name	CORRY VAN IERSEL
Position	Secretary
Address for Service	84 Brewster Place, Cambridge, Ontario, N3C 3T9, Canada
Date Began	July 23, 2020

Name	CORRY VAN IERSEL
Position	Treasurer
Address for Service	84 Brewster Place, Cambridge, Ontario, N3C 3T9, Canada
Date Began	July 23, 2020

Name	CORRY VAN IERSEL
Position	Vice-President
Address for Service	84 Brewster Place, Cambridge, Ontario, N3C 3T9, Canada
Date Began	July 23, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History

Name

2767888 ONTARIO INC.

Effective Date

July 23, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
Annual Return - 2020 PAF: CORRY VAN IERSEL - DIRECTOR	May 23, 2021
CIA - Initial Return PAF: DAN SEELEY-BAECHLER - OTHER	July 23, 2020
BCA - Articles of Incorporation	July 23, 2020

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

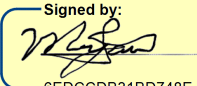
Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

This is Exhibit “E” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

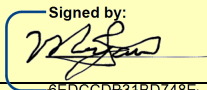
<u>Location No.</u>	<u>Location</u>	<u>Landlord</u>	<u>Tenant</u>	<u>Mortgagee</u>
1.	3-11 Erie St. S., Leamington ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
2.	4 Courthouse Square, Gooderich, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
3.	7 Market Square, Napanee, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
4.	16 Steel St., Welland, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
5.	18 Circle St., Kapuskasing, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
6.	20 Bridge St., Belleville, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
7.	22 Robinson St., Simcoe, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
8.	30 Main St. E., Huntsville, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
9.	51 Front St. W., Strathroy, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
10.	51 Main St., Cambridge, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Bank of Montreal
11.	52 Bridge St. E., Campbellford, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	M. Higgins & Associates Inc.
12.	82 Division St., Quinte West/Trenton, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.

13.	85 King St. W., Chatham, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
14.	92 Pelham St., St. Catharines, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
15.	115 Talbot St. W., Aylmer, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
16.	125 Muskoka Rd. S., Gravenhurst, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
17.	129 Mitton St. S., Sarnia, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Nashaat Garas, Garas Family Holdings Inc., Manal Garas Pharmacy Professional Corporation
18.	153 West St., Brantford, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
19.	201 Jarvis St., Fort Erie, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
20.	Unit 1 – 212 King Street, Midland	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
21.	214 Third Ave., Timmins, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
22.	326 Ottawa St. North, Hamilton, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
23.	349 King St., Port Colborne, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Nashaat Garas, Garas Family Holdings Inc., Manal Garas Pharmacy Professional Corporation

24.	372 Riverside Dr., Sudbury, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
25.	496 Main St., North Bay, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
26.	513 11 th Ave., Hanover, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
27.	670 Riverside Dr., Timmins, ON.	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
28.	673 Ontario St., Stratford, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Venizelos Anastasiadis
29.	740/750 James St., Wallaceburg, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
30.	780 Wallace Ave. N., Listowel, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
31.	892-893 Queen St., Sault St. Marie, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
32.	978 3 rd Ave. E., Owen Sound, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
33.	1262.5 Wellington St. W., Ottawa, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	818876 Ontario Ltd.
34.	1368 Ottawa St., Windsor, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Nashaat Garas, Garas Family Holdings Inc., Manal Garas Pharmacy Professional Corporation
35.	2107 Parkdale Ave., Brockville, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Nashaat Garas, Garas Family Holdings Inc., Manal Garas Pharmacy Professional Corporation

36.	4695 Queen St., Niagara Falls, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	Firm Capital Mortgage Fund Inc.
-----	-----------------------------------	----------------------	----------------------	---------------------------------

This is Exhibit “F” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

[UNANIMOUS] SHAREHOLDERS AGREEMENT

THIS AGREEMENT made the [2nd]th day of January, 2024 (the "Effective Date").

A M O N G:

[Alena Hapanovich & 2842967 Ontario Inc.]

OF THE FIRST PART; and

[The Vancor Group Inc. & Corry Van Iersel]

OF THE SECOND PART; and

2744364 Ontario Ltd. O/A True North Cannabis Co.]

(the "Corporation")

OF THE THIRD PART;

WHEREAS the Parties wish to enter into this agreement in order to make arrangements regarding the organization and affairs of the Corporation and the sale of their shares of the Corporation under certain circumstances;

NOW, THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the respective covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATIONS

1.1 As used in this agreement, the following words and phrases mean:

- (a) "arm's length" - has the same meaning as that term is given in the Income Tax Act, S.C. 1970-71-72, c. 63, as amended;
- (b) "Board of Directors" - the board of directors of the Corporation from time to time;

- (c) "Business Day" means any day other than a Saturday or a Sunday or a day which is a statutory holiday under the laws of Ontario or of Canada;
- (d) "Common Shares" means the share capital of the Corporation currently authorized, as well as any additional common voting shares in the capital of the Corporation which may be created;
- (e) "Fair Market Value" - the price determined in an open and unrestricted market between informed prudent parties, acting at arm's length and under no compulsion to act, expressed in terms of money or money's worth;
- (f) "Insolvency" with respect to any Shareholder means the condition existent when the Shareholder is declared bankrupt, becomes insolvent or makes an assignment for the benefit of creditors, or when the Shareholder suffers his shares in the Corporation to be liable to seizure, (including but not limited in both cases to a seizure or transfer by Court Order under the Family Law Act (Ontario)) or the dissolution or winding up of a corporate Shareholder or the striking off of that shareholder from the register of corporations in its jurisdiction of incorporation or any other action which causes such corporate Shareholder to cease to exist;
- (g) "person" includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, or other organizations, whether or not legal entities;
- (h) "Place of Closing" - the offices of the solicitors for the purchaser, or such other place as may be agreed to by the parties;
- (i) "Prime Bank Rate" - the commercial lending rate of interest, expressed as an annual rate, which the e Bank quotes in Cambridge as the reference rate of interest (commonly known as "prime") for the purpose of determining the rate of interest that it charges to its commercial customers for loans in Canadian funds;
- (j) "Shareholder" means those entities or individuals on the shareholder registry of the Corporation as of the Effective Date;
- (k) "Shareholders' Advance" means any indebtedness of the Corporation to a shareholder evidenced by one or more promissory notes made by the Corporation in favour of such Shareholder or any advance made by such Shareholder to the Corporation and any and all other amounts which might be owing by the Corporation to that Shareholder, save and except as specifically otherwise agreed in writing.
- (l) "Shares" means the Common Shares and Special Shares;
- (m) "Special Resolution" means a resolution approved by Shareholders holding at least 2/3 of the outstanding Shares;

- (n) "Time of Closing" - 2:00 p.m. or such other time on the Date of Closing (as hereinafter defined) as may be agreed to by the vendor and the purchaser in the subject transaction.
- 1.2 All payments contemplated herein shall be paid in Canadian funds, in cash or by certified cheque.
- 1.3 The division of this agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this agreement.
- 1.4 This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- 1.5 All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun.
- 1.6 When calculating the period of time within which or following which any act is to be done or step taken pursuant to this agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is a non-business day, then period in question shall end on the next business day.
- 1.7 Any references herein to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference to any successor thereto.

ARTICLE 2

TERMINATION OF PRIOR AGREEMENTS

- 2.1 All agreements between some or all the parties hereto regarding the organization and affairs of the Corporation and/or the sale of any Shareholder's shares of the Corporation under certain circumstances, whether written or oral, are hereby terminated.

ARTICLE 3

WARRANTIES AND COVENANTS

- 3.1 Each Shareholder warrants that:
- (a) they are the registered and beneficial owners of the issued and outstanding shares as laid out in the table below:

Shareholder	# of Shares Held
[Alena Hapanovich and/or 2842967 Ontario Inc.]	50
[Corry Van Iersel and/or The Vancor Group Inc.]	50

(b) the shares set out opposite their name above are free and clear of all claims, liens and encumbrances whatsoever and no person, firm, corporation, partnership, trust or other entity has any agreement or option or right capable of becoming an agreement for the purchase of any such shares; and

(c) they are not a non-Canadian within the meaning of the Investment Canada Act.

3.2 The Corporation warrants that:

- (a) the authorized capital of the Corporation consists of an unlimited number of voting Common Shares; an unlimited number of non-voting Common Shares and an unlimited number of voting Special Shares of which 100 Common are issued and outstanding [NTD: to be confirmed];
- (b) the shares listed in Subsection 3.1 (a) above are the only issued and outstanding shares of the Corporation; and
- (c) no person, firm, corporation, partnership, trust or other entity has any agreement or option or right capable of becoming an agreement for the purchase, subscription or issuance of any of the unissued shares of the Corporation.

3.3 Each Shareholder warrants that, to the best of their knowledge and belief, the Corporation is not associated (as that term is used in the Income Tax Act (Canada)) with any other corporation and hereby covenants that if the Corporation becomes so associated, all appropriate forms and elections will be filed to ensure that, to the maximum extent possible, has allocated to it, in each taxation year, the amounts necessary with respect to its business limit to enable the Corporation to take the maximum small business deduction available in such taxation year, as those terms are used in the Income Tax Act (Canada).

ARTICLE 4

PROVISIONS FOR CONTROL AND MANAGEMENT

4.1 The Shareholders shall cause such meetings of the Corporation to be held, votes cast, resolutions passed, by-laws enacted, documents executed and all things and acts done to ensure the following continuing arrangements with respect to the operation and control of the Corporation:

- (a) The affairs of the Corporation shall be managed by a Board of Directors which shall at all times consist of only two (2) directors, being Alena Hapanovich and Corry Van Iersel as of the Effective Date, or the respective nominees of the Shareholders.

Should any vacancy occur on the Board of Directors, such vacancy shall be filled forthwith by the appointment of a nominee by existing Shareholders who is not then represented by the nominee to which they are entitled hereunder. Until such vacancy is filled, the Board of Directors shall not transact any business or exercise any of its powers or functions, save and except as may be necessary to elect such new director and/or preserve the business and assets of the Corporation. Provided that if a replacement director is not elected as aforesaid within twenty-one (21) days of such vacancy occurring, thereafter the directors then in office shall be entitled to transact business and exercise all of the powers and functions of the Board of Directors.

- (b) A quorum for a meeting of the Board of Directors shall be two directors.
- (c) A quorum for a meeting of the Shareholders shall be two shareholders, present or represented by proxy, holding shares of the Corporation enjoying voting rights at such meeting, provided that notwithstanding any other provision of this Agreement, both Alena Hapanovich and Corry Van Iersel must be present
- (d) All contracts and documents binding shall require the signatures of those individuals determined by the Board of Directors from time to time.
- (e) The Corporation will not undertake any of the following without the prior unanimous consent of the Shareholders:
 - i. any change or amendment to the Articles of the Corporation;
 - ii. the enactment, amendment or repeal of any bylaws of the Corporation;
 - iii. any increase or decrease in the number of the minimum and maximum number of directors of the Corporation;
 - iv. the issuance of any Shares or securities;
 - v. the purchase or redemption of any Shares of the Corporation;
 - vi. the declaration or payment of dividends on any of its Shares;
 - vii. the sale or disposition of its undertaking as an entirety or substantially as an entirety;
 - viii. the purchase, sale or lease by the Corporation of any real property;
 - ix. the lending of money by the Corporation;
 - x. the guarantee by the Corporation of the debts of any person in any amount;

- xi. the amendment to the signing authority relating to the Corporation bank accounts or credit cards or the change of persons having access to the Corporation's safety deposit boxes;
- xii. the carrying on of any business other than the Business or any activity incidental thereto or the discontinuance of the Business;
- xiii. any material investment in any other corporation, or the entry into of any partnership with any other person;
- xiv. any material change in the business of the Corporation;
- xv. enter into any contracts, agreements or commitments out of the ordinary course of business;
- xvi. any change in the fiscal year of the institution of any proceedings for the winding-up, reorganization or dissolution of the Corporation;
- xvii. the amalgamation or merger with or into any other corporation;
- xviii. any expenditure greater than or equal to Five Thousand (\$5,000.00) Dollars;
- xix. enter into any contracts, agreements or commitments with any insurance company;
- xx. hiring and dismissal of employees, executives, or consultants;
- xxi. contract with non-arm's length Parties to the Corporation;
- xxii. except as otherwise provided for herein, the fixing, paying or changing of any salary, bonus or fee of any director, officer of the Corporation;
- xxiii. except as otherwise provided for herein, the approval of all salaries, benefits, and service contracts;
- xxiv. borrowing of any money;
- xxv. appointment of any accountants, legal counsel, or additional service providers;
- xxvi. commencement of legal proceedings;
- xxvii. declaration of bonuses;
- xxviii. any change to the officers and directors of the Corporation;
- xxix. any action or transaction not in the ordinary course of business of the Corporation; and
- xxx. cause or permit a subsidiary to undertake any of the acts set out in the sub-paragraphs above.

4.2 Notwithstanding the above, and subject to the Business Corporations Act (Ontario), the Shareholders hereby agree that they shall approve, and cause the Corporation to redeem, any Special Shares with any corresponding available profits. Once all Special Shares are redeemed, any and all profits shall be equally divided and paid out as dividends to the Shareholders, or as otherwise agreed upon by the Shareholders. Shareholder loans or other related company loans shall be paid out prior to dividends being issued, unless otherwise agreed to in writing.

ARTICLE 5

OPERATION AND FINANCING

- 5.1 Proper books of account shall be kept by the Corporation and entries shall be made therein of all matters, terms, transactions and things as are usually written and entered into books of account in accordance with generally accepted accounting principles and each of the Shareholders or their nominees shall have free access at all times to examine and copy them and shall at all times furnish to the others correct information, accounts and statements of and concerning all transactions pertaining to the Corporation without any concealment or suppression.
- 5.2 The Corporation shall maintain a bank account or bank accounts at such bank, banks, trust company or trust companies as the Board of Directors shall from time to time determine. All bank accounts shall be kept in the name of the Corporation and all cheques, bills, notes, drafts or other instruments shall require the signatures of such individuals as the Board of Directors may from time to time determine. All monies received from time to time for the account of the Corporation shall be paid immediately into such bank account or accounts for the time being in operation, in the same drafts, cheques, bills or cash in which they are received and all disbursements on account of the Corporation shall be made by cheque on such bank, banks, trust company or trust companies.
- 5.3 No Shareholder shall at any time, directly or indirectly, disrupt, disparage, impair or interfere with the Corporation or the business thereof, whether by way of disrupting its relationships with customers, agents, representatives or vendors, disparaging or diminishing the reputation of the Corporation or any of its Affiliates or otherwise.
- 5.4 If further funds are required for the purposes of the Corporation, such funds shall be obtained, to the greatest extent possible, by the Corporation borrowing from a chartered bank or other lender. The decision whether such funds are required, from whom such funds will be borrowed and the terms and conditions of such borrowing shall be determined by the Board of Directors from time to time. Each of the Shareholders covenants to use their reasonable best efforts to obtain such funds and covenants to execute and deliver all necessary documents, statements and assurances as may be required by such bank or other lender. The Shareholders further agree that they shall attempt to obtain such funds upon their several guarantees only.
- 5.5 If, notwithstanding compliance by the Shareholders with the provisions of Section 5.3 and 5.4 of this Agreement, the Corporation shall not have obtained all or part of the said funds from a bank or other lender, then, within ten (10) days after a demand in writing by the Corporation is received or deemed to have been received by such Shareholder, each Shareholder shall advance to the Corporation such portion of the said funds, or the part thereof that the Corporation shall not have obtained from a bank or other lender, as is proportionate to their beneficial common shareholdings in the Corporation. All advances made to the Corporation shall be treated as Shareholders' Advances and shall be upon the security and at the rate of interest (which shall be the same for all Shareholders), if any, as shall be determined by the Board of Directors from time to time (interest rate to be at

Prime Bank Rate plus five (5%) percentage points per annum unless otherwise agreed upon). None of those advances shall be called by the Shareholders or repaid to them, in whole or in part, except as is determined by the Board of Directors; provided that whenever any amounts on account of such advances are repaid to the Shareholders, they shall be repaid to them on a basis proportionate to their advances to the Corporation.

- 5.6 If a Shareholder (hereinafter in this Article sometimes called a "Guarantor") has guaranteed, with the consent of the other Shareholders, the obligations of the Corporation to any bank or other lender and the Guarantor has made payment to such bank or other lender under such guarantee, then each of the other Shareholders (hereinafter in this Article sometimes called an "Indemnifier") shall pay to the Guarantor, forthwith upon demand, a proportionate amount of such payment equal to the proportion which the then beneficial common shareholdings of that Indemnifier bears to the then total common shareholdings of the Shareholders.
- 5.7 In the event that any one or more of the Indemnifiers shall not make a payment required herein, then the proportionate amount to be paid by the Guarantor by the other Indemnifiers shall be adjusted by excluding the beneficial common shareholdings of the defaulting Indemnifier from the total beneficial common shareholdings of the Shareholders and such additional amount shall be paid to the Guarantor forthwith upon demand. Provided that nothing hereinbefore contained shall relieve the defaulting Indemnifier from their obligation to pay to the Guarantor and the other Indemnifiers, as the case may be, their proportionate share of the amount paid by the Guarantor, determined without having to regard to their default. In addition, the defaulting Indemnifier shall pay to the Guarantor and the other Indemnifiers, daily, interest at the Prime Bank Rate plus five (5%) percentage points per annum, calculated and payable daily, not in advance, computed from the first day upon which such payment should have been made on the amount owing by them to the Guarantor and other Indemnifiers, as the case may be. For the purposes hereof, the Prime Bank Rate shall be determined daily to apply with respect to the monies owing at the end of the next succeeding day. The amount payable by the defaulting Indemnifier hereunder together with interest thereon, calculated as aforesaid, shall be fully paid to the Guarantor and the other Indemnifiers before any bonus, withdrawal or other distribution from the Corporation is made to the defaulting Indemnifier and the Corporation is hereby authorized and directed to pay the amount of any such bonus, withdrawal or other distribution (to the extent of the amount owing by the defaulting Indemnifier to the Guarantor and other Indemnifiers, as aforesaid) to the Guarantor and other Indemnifiers in reduction of such amount.
- 5.8 If any Shareholder (in this Section called a "Defaulting Shareholder") does not make the full or any part of the advance or advances required to be made by them pursuant to the provisions of Section 5.5 of this Agreement, then the other Shareholders, if not so in default, are entitled to advance to the Corporation those amounts (in this Section called the "Excess Advance"). If more than one of the other Shareholders wishes to make the Excess Advance each of such Shareholders shall pay a portion of such Excess Advance equal to the proportion which their beneficial common shareholding in the Corporation bears to the total common shareholdings in the Corporation of all of the Shareholders who wish to do so. If only one of the Shareholders wishes to make the Excess Advance,

such Shareholder shall be entitled to make the whole Excess Advance to the Corporation. In the event that an Excess Advance is made, the Excess Advance shall be deemed to be a loan or loans (in this Section called the "Loan(s)") to the Defaulting Shareholder by the Shareholder(s) that made that Excess Advance and to have been advanced to the Corporation on behalf of the Defaulting Shareholder(s). The Defaulting Shareholder shall pay to the Shareholder(s) that made the Excess Advance daily interest on so much of the Loan(s) as is outstanding from time to time, at the Prime Bank Rate plus five (5%) percentage points per annum, calculated and payable daily, not in advance, computed from the first day upon which the Excess Advance is made. For the purposes hereof the Prime Bank Rate shall be determined daily to apply with respect to the monies owing at the end of the next succeeding day. The Defaulting Shareholder hereby irrevocably directs the Corporation to make all payments of interest which would otherwise be payable to the Defaulting Shareholder, directly to the Shareholder(s) that made the Excess Advance, to be credited by the said Shareholder(s) to the amount of interest payable by the Defaulting Shareholder to the said Shareholder(s). The Loan(s) shall be payable on demand. The Defaulting Shareholder shall be entitled to pay the whole or any part of the Loan(s) at any time or times and the Corporation is hereby irrevocably directed to pay any bonus, withdrawal or other distribution payable to the Defaulting Shareholder (to a maximum of the amount of the Loan(s) plus accrued interest), directly to the Shareholder(s) on account of the amount owing by the Defaulting Shareholder to the said Shareholder(s).

- 5.9 All Shareholder loans to, or from, the Corporation shall be payable at 10% interest only unless otherwise agreed upon in writing. All loan interest shall be payable monthly unless otherwise agreed upon.

ARTICLE 6

PROPERTY MANAGEMENT

- 6.1 Subject to the Corporation ceasing to operate its business and own a property, or the Corporation retaining a professional management company to manage properties owned by it, the Shareholders agree to retain a professional management company. No management fees will be paid to either Shareholder for management. A written contract shall be signed by both parties for property management.

ARTICLE 7

RESTRICTIONS ON TRANSFER OF SHARES

- 7.1 The Shareholders covenant that they will not sell, assign, transfer, pledge, mortgage, charge, create a security interest in, hypothecate, enter into any agreement or option to or otherwise dispose of, encumber or deal with any of the shares of the Corporation beneficially owned or controlled by them, except in accordance with the terms of this agreement, or except with the prior written consent of the other of the Shareholders.

ARTICLE 8

OPTION ON INSOLVENCY

- 8.1 Upon the Insolvency of a Shareholder, the Corporation shall have, and such Shareholder hereby grants to the Corporation, the option to purchase, free from encumbrances and upon and subject to all of the applicable terms and conditions hereinafter set forth, all of such Shareholders shares in the capital of the Corporation owned by such Shareholder. Notwithstanding any other provision of this Agreement, the decision by the Corporation to exercise the option provided for in this Section shall be made in the sole discretion, and without the required consent, of the Shareholder that may be required to sell their shares.
- 8.2 The option to purchase granted to the Corporation upon the occurrence of any of the events specified in subsection 8.1 hereof shall be open for exercise by the Corporation for a period of 120 days from the later of (a) the occurrence of the event giving rise to the option, and (b) the date on which the remaining Shareholders become aware of the occurrence of the event giving rise to the option, but not thereafter.
- 8.3 The option granted to the Corporation pursuant to the provisions of this Article 8 shall be exercised by the Corporation giving written notice of exercise within the appropriate time limit as specified in subsection 8.2, and following such exercise, such Shareholder shall sell and the Corporation shall purchase all of the Shares of such Shareholder free from all encumbrances upon and subject to the applicable terms and conditions hereinafter set forth.
- 8.4 The purchase price to be paid by the Corporation to such Shareholder for each shares owned by such Shareholder on the Effective Date shall determined in accordance with the provisions of Article 12 hereof.
- 8.5 The closing of the transaction of purchase and sale contemplated by this Article shall take place at the Place of Closing at the Time of Closing on the date (in this Article, the "Date of Closing") which is the later of:
- (a) the date which is ninety (90) days after the receipt by the Vendor of the notice contemplated in Section 8.3 hereof; and
 - (b) the date which is ninety (90) days after the purchase price for the Purchased Shares is finally determined in accordance with the provisions of Article 12 hereof.
- 8.6 The purchase price for the Purchased Shares shall be paid in full at the Time of Closing.

ARTICLE 9

OBLIGATION ON DEATH

- 9.1 Upon the death of a Shareholder for any reason, (a) the Corporation shall, at the option of the executors or trustees of the deceased Shareholder, be obligated to purchase, free from encumbrances and upon and subject to all of the applicable terms and conditions

hereinafter set forth, the Shares held by the Shareholder, and (b) such Shareholder shall have the option to sell, free from encumbrances and upon and subject to all of the applicable terms and conditions hereinafter set forth, all of the shares in the capital of the Corporation, by providing written notice to the Corporation within six (6) months of the death of the deceased Shareholder that the Shareholder's executors or trustees wish to exercise such option.

- 9.2 The purchase price to be paid on the Effective Date shall determined in accordance with the provisions of Article 12 hereof.
- 9.3 The closing of this transaction of purchase and sale contemplated by this Article shall take place at the Place of Closing at the Time of Closing on the date (in this Article, the "Date of Closing") which shall be the latest of:
- (a) the date which is ninety (90) days after the deliver of the written notice to exercise the option set out in Section 9.1 above;
 - (b) the date which is seven (7) days following receipt of all necessary governmental releases or approvals required to be obtained in order to effect a valid transfer of the Purchased Shares (and the parties hereto covenant and agree to use their best efforts to obtain such releases);
 - (c) the date which is thirty (30) days after the Purchase Price is finally determined in accordance with the provisions of Article 12 hereof; and
 - (d) the date on which any insurance obtained in accordance with Article 13 is finally paid in full to the Corporation, if any.

ARTICLE 10

RIGHT OF FIRST REFUSAL

- 10.1 If any Shareholder (hereinafter referred to as the "Offeror") receives a bona fide written offer (the "Offer") from any person, firm or corporation dealing at arm's length with the Offeror to purchase all of the shares in the capital of the Corporation owned by him for cash payable in full on closing, which is acceptable to him, he shall, by notice in writing (the "Second Offer"), offer to sell such shares (the "Purchased Shares") to the other Shareholder (hereinafter referred to as the "Offeree") at the same price and upon the same terms and conditions as are contained in the Offer. Such notice shall be accompanied by a true copy of the Offer and an affidavit of the Offeror attesting to the fact that there is no commission or other similar fee that may be or may become due and payable to any broker, agent or other intermediary in connection with the sale of the Purchased Shares pursuant to the Offer, if such is the case. The Second Offer shall not be revocable except with the consent of the Offeree and shall be open for acceptance by the Offeree for a period of ten (10) days from the date upon which such notice was received

or deemed to be received by the Offeree. Notwithstanding anything to the contrary herein contained, the terms and conditions contained in the Second Offer shall be amended so that there shall be deducted from the purchase price for the Purchased Shares payable pursuant to the Offer the amount of any commission or other similar fee that would otherwise have been payable to any broker, agent or other intermediary in connection with the sale of the Purchased Shares pursuant to the Offer.

- 10.2 If the Second Offer is accepted by the Offeree, then the Offeror (the "Vendor") shall sell and the Offeree accepting the Second Offer (the "Purchaser") shall purchase the Purchased Shares upon the terms and conditions contained in the Second Offer. The closing of the transaction of purchase and sale pursuant to the Second Offer shall take place at the Place of Closing at the Time of Closing on the date (in this Article the "Date of Closing") which is fifteen (15) days after the date on which the Second Offer is accepted by the Offeree to have accepted the Second Offer.
- 10.3 If, during the time limited therefor, the Offeree shall not have accepted the Second Offer, then, subject to the provisions of 11.4 hereof, the Offeror shall be entitled to sell the Purchased Shares in accordance with the Offer. The Board of Directors before consenting to the transfer of the Purchased Shares shall be entitled to require proof that the sale took place in accordance with the Offer (except as to the date of closing which, subject to 1 1.4 hereof, may be varied) and the directors of the Corporation shall refuse to permit the recording of the transfer of the Purchased Shares which may have been sold otherwise than in accordance with the provisions of this agreement.
- 10.4 If a sale of the Purchased Shares pursuant to the Offer is not completed within ninety (90) days from the giving of notice to the Offeree as aforementioned, no sale of the Purchased Shares shall be made without the Offeror again complying with the terms of this Article.
- 10.5 Notwithstanding the foregoing, no disposition pursuant to the Offer shall be valid or effective until the acquiror of the shares in question shall have entered into an agreement with the other parties hereto consenting to the terms hereof and agreeing to assume all of the obligations of the Offeror as though such acquiror were the Offeror, in which event such acquiror shall be entitled to all of the rights and be subject to all obligations on the part of the Offeror herein mutatis mutandis. Notwithstanding such disposition, as between the Offeror and the other parties hereto, the Offeror shall remain liable as principal debtor under all covenants contained herein and the Offeror agrees to unconditionally guarantee to the other parties hereto the due performance by the acquiror of all obligations imposed upon him hereunder. The liability of the Offeror is unconditional and may be enforced without requiring the other parties hereto first to proceed against the acquiror or to proceed against or exhaust any security held or to pursue any other remedy whatsoever. The Offeror hereby authorizes the other parties hereto to renew, compromise, extend, accelerate or otherwise change the time for payment or any term relating to the performance of any such obligations and hereby waives presentment, protest, notice of protest, notice of dishonour, demand for performance and notice of acceptance of this guarantee by the other parties hereto.

ARTICLE 11
BUY/SELL PROVISION

- 11.1 At any time after the date of this Agreement and subject to the provisions of Article 14 hereof, either Shareholder (the "Initiating Shareholder"), provided such Shareholder is not a Defaulting Shareholder as defined in Section 5.9 hereof, shall be entitled to give to the other Shareholder (the "Receiving Shareholder") a notice in writing (the "Notice") which shall contain the following:
- (a) the total purchase price for the Shares (for the purposes of this Article, the "Purchase Price ") beneficially owned by the Receiving Shareholder;
 - (b) an irrevocable offer by the Initiating Shareholder to purchase (the "Offer to Purchase") the Shares owned by the Receiving Shareholder at the Purchase Price in the Notice and specifying a closing date not sooner than sixty (60) days and no later than ninety (90) days following the date of Notice;
 - (c) an irrevocable offer to sell to the Receiving Shareholder (the "Offer to Sell") the Shares beneficially owned by the Initiating Shareholder at the same price per Share, on the same terms and having the same closing date as specified in the Offer to Purchase; and
- 11.2 Upon receipt of the Notice by the Receiving Shareholder, the Receiving Shareholder shall not be entitled to deliver a similar notice.
- 11.3 The Receiving Shareholder shall be entitled to accept either the Offer to Purchase or the Offer to Sell by executing and returning same to the Initiating Shareholder within thirty (30) days following the receipt by the Receiving Shareholder of the Notice.
- 11.4 If no written acceptance of either the Offer to Purchase or the Offer to Sell is received by the Initiating Shareholder within such thirty (30) day period, the receiving Shareholder shall conclusively be deemed to have accepted the Offer to Purchase on the last day of such thirty (30) day period.
- 11.5 The closing shall otherwise take place in accordance with the Offer to Purchase or Offer to Sell, as the case may be, and otherwise in accordance with the terms of Article 14.

ARTICLE 12

VALUATION

- 12.1 The Shareholders shall endeavour to agree upon the fair market value of the Shares. In the event that the Shareholders cannot by unanimous agreement agree upon the value of the Shares within thirty (30) days of the event or decision requiring the valuing of the Shares, each Shareholder shall forthwith within ten (10) days of the expiration of such 30 day period appoint a chartered accountant, chartered business valuer or firm of chartered accountants (the "Valuers") to value the Shares. The Valuers shall be selected from a list of chartered accountants, chartered business valuers or firm of chartered accountants as agreed upon by the Shareholders. In the event of a dispute as to such list, the President of the Institute of Chartered Accountants of Ontario shall decide on the composition of the list. The Shareholders shall disclose and cause the Corporation to disclose all material information relating to the valuation including the reason for the valuation.
- 12.2 In the event the Valuers provide estimates of the value of the Shares so that the lowest estimate is not less than 10% lower than the value of the highest estimate, the estimates of the values determined by the Valuers shall be averaged; which value shall then be deemed to be the fair market value of the Shares.
- 12.3 In the event that the values estimated by the Valuers are not within the range of 10%, the Valuers shall, within ten days appoint an additional valuer who also shall be a chartered accountant, chartered business valuer or firm of chartered accountants decide the value of the Shares. The value of the Shares shall be deemed to be the value of the Shares previously estimated by the Valuer with a figure for the value of the Shares which is closest to that decided upon by the additional valuer. In the event that the Valuers cannot agree on a chartered accountant, chartered business valuer or firm of chartered accountants to be the additional valuer, the President of the Institute of Chartered Accountants of Ontario shall appoint the additional valuer. The additional Valuer shall decide which value of the Shares to accept within thirty days of his appointment. Upon such acceptance the value proposed by the Valuer chosen shall be the value of the Shares for all purposes of the Agreement. In the event that the additional Valuer fails to decide which valuation to accept, the valuation shall be deemed to be the average of the figures for the value of the Shares submitted by the Valuers.
- 12.4 The Valuers, the replacement Valuers and the additional Valuer shall advise and deliver their estimates of the value of the Shares to the Shareholders within the times provided for in this paragraph. Provided that any of the times provided for in this paragraph may be extended or abridged with the unanimous agreement of all of the Partners.
- 12.5 The costs of the valuation shall be borne by each Shareholder individually; each Shareholder shall be responsible for the costs of its Valuer appointed, including any replacement Valuer appointed for such Partner. In the event that an additional Valuer is appointed, his costs will be paid by the Corporation.

12.6 The following are the criteria to be employed by the Valuers, the replacement Valuers and the additional Valuers with respect to the valuation of the Shares in accordance with the provisions of this paragraph:

- (a) The Shares must be valued immediately prior to the event or decision causing the need for the valuation;
- (b) There should be no provision made for the value of, nor for any proceeds received or receivable in respect of any policy of insurance owned by the Corporation on the life of any Shareholder;
- (c) Notwithstanding the foregoing, in no event shall the ultimate purchase price of the Shares of the Vendor when added to the amount of the Shareholders' Loan of the Deceased be less than the life insurance proceeds received by the Corporation on account of the death of the Deceased;
- (d) Real estate assets may be appraised;
- (e) The Shares must be valued using generally accepted accounting principles and generally accepted valuation principles; and
- (f) Information regarding the valuation of the Shares previously prepared by independent third parties, including appraisals, may be relied upon;

Having regard to the foregoing criteria, the value of the Shares shall be the value that would result in a sale of the Shares as a consequence of negotiations between a fully informed and willing vendor and a fully informed and willing purchaser neither of whom is motivated by a desire to engage in questionable or unethical practices who deal with one another at arms length (as defined in the Income Tax Act, R.S.C. 1952, c. 148).

The Purchase Price for the Shares of each class in the capital of the Corporation being purchased and sold pursuant to article 12 hereof shall be determined by dividing the Fair Market Value of all of the issued and outstanding Shares of such class in the capital of the Corporation divided by the number of such Shares of such class and multiplying the resulting amount by the number of Shares of such class being purchased and sold.

ARTICLE 13

LIFE INSURANCE

1 3.1 The Shareholders hereby acknowledge that, in order to ensure that sufficient funds will be available for the purposes of Article 9, hereof upon the death of a Shareholder, insurance policies, may be obtained by the Corporation on the lives of both **Alena Hapanovich and Corry Van Iersel** in an amount as determined at the discretion of the Board of Directors. The Shareholders further acknowledge and agree that the provisions of this Article shall apply to any such policies and to any additional policy or policies of insurance which may be obtained by the Corporation.

- 13.2 The Corporation shall pay, as they become due, all premiums for any insurance policies purchased in connection with the insurance policy or policies and shall maintain in good standing at all times such policy or policies and shall not deal in any manner with such policy or policies and, without limiting the generality of the foregoing, shall not assign, transfer, dispose of, surrender, borrow upon or in any way encumber such policy or policies.
- 13.3 Upon the death of the life insured under any of the said policies during the term of this agreement, the Corporation shall collect the proceeds thereof as soon as possible and shall hold such proceeds in trust and shall pay and apply such proceeds or the amount thereof required in cash or by certified cheque in and towards the purchase price of the shares of the deceased party upon the Date of Closing (as such term is defined in Article 7) as the whole or part payment (depending on the amount of the said proceeds of insurance) of the amount required to be paid upon the said Date of Closing in accordance with the provisions of this Agreement for the purchase of the said shares of the deceased.
- 13.4 In the event that this Agreement should be cancelled by the consent of the parties hereto, thereupon the ownership of any insurance policies obtained shall be transferred to the life insured of the said policies, in consideration for the payment of the cash surrender value thereof, or if there be no cash surrender value, then for the sum of One Hundred (\$100.00) Dollars for each such policy, together, in either event, with the full amount of any unexpired prepaid premiums for each such policy.

ARTICLE 14

GENERAL SALE PROVISIONS

- 14.1 Except as may otherwise be provided in this Agreement, the provisions of this Article shall apply to any sale of shares of the Corporation pursuant to the provisions of Article 8, Article 9, Article 10 and Article 11 hereof mutatis mutandis.
- 14.2 For the purpose of this Article, the terms "Vendor", "Purchaser", "Date of Closing" and "Purchased Shares" shall have the meanings attributed thereto in Article 8, Article 9, Article 10 and Article 11 hereof, as the case may be.
- 14.3 At the Time of Closing, the Vendor shall:
- (a) deliver to the Corporation signed resignations of the Vendor and their nominees, if any, as directors, officers and employees of the Corporation, as the case may be;
 - (b) assign and transfer to the Purchaser the Purchased Shares and shall deliver the required share certificate(s) duly endorsed for transfer into the Purchaser's name;
 - (c) do all other things required in order to deliver good and marketable title to the Purchased Shares to the Purchaser free and clear of any claims, liens and

encumbrances whatsoever including, without limitation, the delivery of any governmental releases and declarations of transmission. Provided that, if at the Time of Closing the Purchased Shares are not free and clear of all claims, liens and encumbrances whatsoever, the Purchaser may, without prejudice to any other rights which such Shareholder may have, purchase the Purchased Shares subject to such claims, liens and encumbrances. In that event, the Purchaser shall, at the Time of Closing, assume all obligations and liabilities with respect to such claims, liens and encumbrances and the purchase price payable by the Purchaser for the Purchased Shares shall be satisfied, in whole or in part, as the case may be, by such assumption. The amount so assumed shall reduce the purchase price payable at the Time of Closing;

- (d) deliver to the Corporation a release by each of the Vendor and their nominees, if any, all of their claims against the Corporation with respect to any matter or thing up to and including the Time of Closing in their capacity as a director, officer, shareholder, employee or creditor of the Corporation, as the case may be, except for any claims which might arise out of the transactions of purchase and sale herein contemplated;
- (e) either provide the Purchaser with evidence reasonably satisfactory to the Purchaser that the Vendor is not then a "non-resident" of Canada within the meaning of the Income Tax Act (Canada) or provide the Purchaser with a certificate pursuant to Subsection 116(2) of the Income Tax Act (Canada) with a certificate limit in an amount not less than the purchase price for the Purchased Shares; provided that if such evidence or certificate is not forthcoming, the Purchaser shall be entitled to make the payment of tax required under Article 1 16 of the Income Tax Act (Canada) and to deduct such payment from the purchase price for the Purchased Shares; and
- (f) deliver to the remaining Shareholders a release by the Vendor in their capacity as a director, officer and shareholder of the Corporation of all of their claims against each remaining Shareholder and their nominees, if any, in their capacity as a shareholder, director or officer of the Corporation, except for any claims which might arise out of the transaction of purchase and sale herein contemplated.

14.4 If, at the Time of Closing, the Vendor, or any person, firm or corporation for or on behalf of the Vendor, shall have any guarantees, securities or covenants lodged with any person, then the remaining Shareholders shall use their reasonable best efforts to deliver up or cause to be delivered up to the Vendor or cancel or cause to be cancelled such guarantees, securities and/or covenants at the Time of Closing. If, notwithstanding such reasonable best efforts, the delivery up or cancellation of any such guarantee, security or covenant is not obtained, the remaining Shareholders shall deliver to the Vendor and/or the person, firm or corporation which shall have provided such guarantee, security or covenant, an indemnity in writing, in form reasonably satisfactory to counsel for the Vendor, indemnifying them against any and all claims, demands, costs, expenses, damages,

liabilities and suits which may be or which shall have been paid, suffered or incurred by them with respect to the said guarantee, security or covenant.

14.5 At the Time of Closing, each of the remaining Shareholders shall:

- (a) deliver to each of the Vendor and their nominee, if any, a release by them, in their capacity as a director, officer and shareholder of the Corporation, of all their claims against the Vendor and their nominees in their capacity as a shareholder, director or officer of the Corporation, except for any claims which may arise out of the transactions of purchase and sale herein contemplated; and
- (b) cause the corporation to deliver to each of the Vendor and their nominees a release by the Corporation of all its claims against each of the Vendor and their nominees with respect to any matter or thing arising as a result of the Vendor or their nominees being a shareholder, director or officer of the Corporation, as the case may be, except for any claims which might arise out of the transactions of purchase and sale herein contemplated.

14.6 If, at the Time of Closing, the Corporation is indebted to the Vendor in an amount recorded on the books of the Corporation and verified by the accountants of the Corporation, the Corporation shall repay such amount to the Vendor at the Time of closing.

14.7 If, at the Time of Closing, the Vendor is indebted to the Corporation in an amount recorded on the books of the Corporation and verified by the accountants of the Corporation, the Vendor shall repay such amount to the Corporation at the Time of Closing.

14.8 If, at the Time of Closing, the Vendor fails to complete the subject transaction of purchase and sale, the Purchaser shall have the right, if not in default under this Agreement, without prejudice to any other rights which such Shareholder may have, upon payment of the purchase price payable to the Vendor at the Time of Closing to the credit of the Vendor in the main branch of the Corporation's bankers in the City of Cambridge, Ontario, to execute and deliver, on behalf of and in the name of the Vendor, such deeds, transfers, share certificates, resignations or other documents that may be necessary to complete the subject transaction and the Vendor hereby irrevocably appoints the Purchaser their attorney in that behalf in accordance with the Powers of Attorney Act, R.S.O. 1990, c.P20, or the Substitute Decisions Act, 1992, and in accordance with the said Act, the Vendor declares that this power of attorney may be exercised during any subsequent legal incapacity on their part.

14.9 If the provisions of any of Article 8, Article 9 and Article 10 hereof become applicable, then from such date until the Time of Closing (as defined in the particular Article) the Shareholders shall not do, nor cause, nor permit to be done anything except that which is in the ordinary course of business of the Corporation.

14.10 For greater certainty, the parties hereto acknowledge and agree that the Purchasers in any transaction of purchase and sale contemplated in this Agreement are not jointly liable

for the payment of the purchase price for the Purchased Shares and any indebtedness purchased hereunder, but are only liable for their proportionate share thereof.

ARTICLE 15

MEDIATION AND FAMILY LAW ACT

- 15.1 If any dispute or controversy shall occur between the parties hereto relating to the interpretation or implementation of any of the provisions of this Agreement, such dispute shall be resolved by mediation. Such mediation shall be conducted by a single mediator. The mediator shall be appointed by agreement between the parties or, in default of agreement, such mediator shall be appointed by a Judge of the Ontario Superior Court of the Region of Waterloo upon the application of any of the said parties and a Judge of the Ontario Superior Court of the Region of Waterloo shall be entitled to act as such mediator, if he or she so desires. Any such mediation shall be held in the Region of Waterloo. The procedure to be followed shall be agreed by the parties or, in default of agreement, determined by the mediator. It is further agreed that such mediation shall be a condition precedent to the commencement of any action at law.
- 15.2 Each undersigned Shareholder agrees and covenants that if:
- (a) pursuant to any order of a court, property is required to be transferred from a Shareholder to a Spouse;
 - (b) such order does not require that the Shares of a Shareholder be transferred to the Spouse; and
 - (c) the value of the property that is required to be transferred from the Shareholder or Principal to the Spouse is less than the value of the property of the Shareholder or Principal excluding the Shares or securities of the Shareholder of which it is Principal,

then such order will be satisfied by the transfer to the Spouse of property of the Shareholder other than Shares or securities of the Shareholder in the Corporation. The value of the property of the Shareholder excluding the Shares or securities of the Shareholder of which it is Principal, is calculated net of all debts, liabilities and obligations of the Shareholder or Principal.

ARTICLE 16

CONFIDENTIALITY

- 16.1 During the term of this Agreement the Shareholders and Principal Shareholders will have access to confidential proprietary information relating to the Corporation's business and affairs including, without limitation, information and data relating to former, existing and potential clients, in such forms as client lists, economic information, business plans, and marketing strategies (hereinafter, "Confidential Information") the disclosure of which

would be highly detrimental to the best interests of the Corporation. Each of the Shareholders and Principal Shareholders acknowledges and agrees that the right to maintain confidential such Confidential Information constitutes a proprietary right which the Corporation is entitled to protect. Accordingly, each of the Shareholders and Principal Shareholders covenants and agrees with and for the benefit of the Corporation that they shall not, without the prior written consent of the Corporation:

- A) either during the term of this Agreement or at any time thereafter use or disclose to any person, firm, corporation, or partnership any such Confidential Information concerning the business or affairs of the Corporation including, without limiting the generality of the foregoing, the names and any other particulars relating to any former, current or prospective clients of the Corporation;

16.2 Each Shareholder hereto and Principal Shareholder hereto understands and agrees that the restrictions and covenants contained in this Article 17 constitute a material inducement to the other Shareholders to enter into this Agreement and that the other Shareholders would not enter into this Agreement absent such inducement. The Shareholders hereto agree that the restrictions and covenants contained in this Article 15 shall be construed independent of any other provision of this Agreement, and the existence of any claim or cause of action by a Shareholder hereto against the Corporation or any other Shareholder, whether predicated under this Agreement or otherwise, shall not constitute a defense to the enforcement by the Corporation or any other Shareholder of the said restrictions and covenants contained in this Article 17. Further, any clause or provisions of this Article 17 that may be found unenforceable shall be considered to be severable from the rest of this Article 17, which remaining portions shall continue in full force and effect in accordance with the terms of this Article 16 and this Agreement.

16.3 The Shareholders hereto and Principal Shareholders hereto acknowledge, agree and understand that in addition to any of the Corporation's and the other Shareholder's remedies at law, and without prejudice to any and all remedies available to the Corporation or the other Shareholders, an injunction is the only effective remedy for any breach of a Shareholder's or Principal Shareholders' covenants under this Article and that the Corporation and the other Shareholders would suffer irreparable harm and injury in the event of any such breach. Accordingly, the Shareholders and Principal Shareholders hereto hereby agree that the Corporation or any other party hereto may apply for and have injunctive relief, including an interim or interlocutory injunction, in any court of competent jurisdiction, to enforce any of the provisions in this Article 17 upon the breach or threatened breach thereof. The parties hereto further agree that the Corporation or any other party hereto may apply for and are entitled to said injunctive relief without having to prove damages, and are entitled to all costs and expenses, including legal costs.

ARTICLE 17

GENERAL CONTRACT PROVISIONS

17.1 All share certificates of the Corporation shall have the following legend endorsed thereon forthwith after the execution of this Agreement:

"The shares represented by this certificate are subject to a Shareholders Agreement dated the 2nd day of January, 2024, made among Alena Hapanovich and Corry Van Iersel.

17.2 All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by registered mail, postage prepaid, addressed to such other party or delivered to such other party as follows:

- A. TO Kenneth Schaller – 780 Concession 8 Rd West, Puslinch, ON
- B. TO Corry Van Iersel – 5-697 Coronation Blvd, Cambridge, ON
- C. TO THE Corporation: 5-697 Coronation Blvd, Cambridge, ON

or at such other address as may be given by any of them to the others in writing from time to time and such notices, requests, demands or other communications shall be deemed to have been received when delivered, or, if mailed, forty-eight (48) hours after 12:01 a.m. on the day following the day of the mailing thereof; provided that if any such notice, request, demand or other communication shall have been mailed and if regular mail service shall be interrupted by strike or other irregularities, such notices, requests, demands or other communications shall be deemed to have been received forty-eight (48) hours after 12:01 a.m. on the day following the resumption of normal mail service.

17.3 The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

17.4 Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

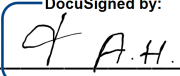
17.5 This Agreement constitutes the entire Agreement between the parties hereto with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties hereto rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof.

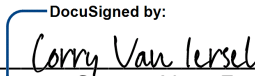
17.6 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives. All parties have had the opportunity to obtain independent legal advice.

IN WITNESS WHEREOF the parties have duly executed this agreement this 2nd day of January, 2024

Alena Hapanovich

Corry Van Iersel

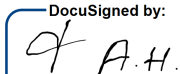
DocuSigned by:

Name: Alena Hapanovich
Title: shareholder

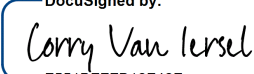
DocuSigned by:

Name: Corry Van Iersel
Title: President

Date: 1/4/2024 | 12:04:55 PM PST

Date: 1/4/2024 | 3:47:06 PM EST

2744364 Ontario Ltd. – True North Cannabis Co.

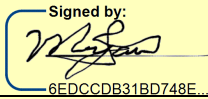
DocuSigned by:

Name: Alena Hapanovich
Title:

DocuSigned by:

Name: Corry Van Iersel

Date: 1/4/2024 | 12:04:55 PM PST

1/4/2024 | 3:47:06 PM EST

This is Exhibit “G” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

[UNANIMOUS] SHAREHOLDERS AGREEMENT

THIS AGREEMENT made the [2nd]th day of January, 2024 (the "Effective Date").

A M O N G:

[Kenneth Shaller & PICI Investments
Incorporated]

OF THE FIRST PART; and

[The Vancor Group Inc. & Corry Van Iersel]

OF THE SECOND PART; and

[2268903 Ontario Inc/Bamboo Blaze.]

(the "Corporation")

OF THE THIRD PART;

WHEREAS the Parties wish to enter into this agreement in order to make arrangements regarding the organization and affairs of the Corporation and the sale of their shares of the Corporation under certain circumstances;

NOW, THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the respective covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATIONS

1.1 As used in this agreement, the following words and phrases mean:

- (a) "arm's length" - has the same meaning as that term is given in the Income Tax Act, S.C. 1970-71-72, c. 63, as amended;
- (b) "Board of Directors" - the board of directors of the Corporation from time to time;

- (c) "Business Day" means any day other than a Saturday or a Sunday or a day which is a statutory holiday under the laws of Ontario or of Canada;
- (d) "Common Shares" means the share capital of the Corporation currently authorized, as well as any additional common voting shares in the capital of the Corporation which may be created;
- (e) "Fair Market Value" - the price determined in an open and unrestricted market between informed prudent parties, acting at arm's length and under no compulsion to act, expressed in terms of money or money's worth;
- (f) "Insolvency" with respect to any Shareholder means the condition existent when the Shareholder is declared bankrupt, becomes insolvent or makes an assignment for the benefit of creditors, or when the Shareholder suffers his shares in the Corporation to be liable to seizure, (including but not limited in both cases to a seizure or transfer by Court Order under the Family Law Act (Ontario)) or the dissolution or winding up of a corporate Shareholder or the striking off of that shareholder from the register of corporations in its jurisdiction of incorporation or any other action which causes such corporate Shareholder to cease to exist;
- (g) "person" includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, or other organizations, whether or not legal entities;
- (h) "Place of Closing" - the offices of the solicitors for the purchaser, or such other place as may be agreed to by the parties;
- (i) "Prime Bank Rate" - the commercial lending rate of interest, expressed as an annual rate, which the e Bank quotes in Cambridge as the reference rate of interest (commonly known as "prime") for the purpose of determining the rate of interest that it charges to its commercial customers for loans in Canadian funds;
- (j) "Shareholder" means those entities or individuals on the shareholder registry of the Corporation as of the Effective Date;
- (k) "Shareholders' Advance" means any indebtedness of the Corporation to a shareholder evidenced by one or more promissory notes made by the Corporation in favour of such Shareholder or any advance made by such Shareholder to the Corporation and any and all other amounts which might be owing by the Corporation to that Shareholder, save and except as specifically otherwise agreed in writing.
- (l) "Shares" means the Common Shares and Special Shares;
- (m) "Special Resolution" means a resolution approved by Shareholders holding at least 2/3 of the outstanding Shares;

- (n) "Time of Closing" - 2:00 p.m. or such other time on the Date of Closing (as hereinafter defined) as may be agreed to by the vendor and the purchaser in the subject transaction.
- 1.2 All payments contemplated herein shall be paid in Canadian funds, in cash or by certified cheque.
- 1.3 The division of this agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this agreement.
- 1.4 This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- 1.5 All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun.
- 1.6 When calculating the period of time within which or following which any act is to be done or step taken pursuant to this agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is a non-business day, then period in question shall end on the next business day.
- 1.7 Any references herein to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference to any successor thereto.

ARTICLE 2

TERMINATION OF PRIOR AGREEMENTS

- 2.1 All agreements between some or all the parties hereto regarding the organization and affairs of the Corporation and/or the sale of any Shareholder's shares of the Corporation under certain circumstances, whether written or oral, are hereby terminated.

ARTICLE 3

WARRANTIES AND COVENANTS

- 3.1 Each Shareholder warrants that:
- (a) they are the registered and beneficial owners of the issued and outstanding shares as laid out in the table below:

Shareholder	# of Shares Held
[PCI Investments Inc.]	50
[The Vancor Group Inc.]	50

(b) the shares set out opposite their name above are free and clear of all claims, liens and encumbrances whatsoever and no person, firm, corporation, partnership, trust or other entity has any agreement or option or right capable of becoming an agreement for the purchase of any such shares; and

(c) they are not a non-Canadian within the meaning of the Investment Canada Act.

3.2 The Corporation warrants that:

- (a) the authorized capital of the Corporation consists of an unlimited number of voting Common Shares; an unlimited number of non-voting Common Shares and an unlimited number of voting Special Shares of which 100 Common are issued and outstanding [NTD: to be confirmed];
- (b) the shares listed in Subsection 3.1 (a) above are the only issued and outstanding shares of the Corporation; and
- (c) no person, firm, corporation, partnership, trust or other entity has any agreement or option or right capable of becoming an agreement for the purchase, subscription or issuance of any of the unissued shares of the Corporation.

3.3 Each Shareholder warrants that, to the best of their knowledge and belief, the Corporation is not associated (as that term is used in the Income Tax Act (Canada)) with any other corporation and hereby covenants that if the Corporation becomes so associated, all appropriate forms and elections will be filed to ensure that, to the maximum extent possible, has allocated to it, in each taxation year, the amounts necessary with respect to its business limit to enable the Corporation to take the maximum small business deduction available in such taxation year, as those terms are used in the Income Tax Act (Canada).

ARTICLE 4

PROVISIONS FOR CONTROL AND MANAGEMENT

4.1 The Shareholders shall cause such meetings of the Corporation to be held, votes cast, resolutions passed, by-laws enacted, documents executed and all things and acts done to

ensure the following continuing arrangements with respect to the operation and control of the Corporation:

- (a) The affairs of the Corporation shall be managed by a Board of Directors which shall at all times consist of only two (2) directors, being **Kenneth Schaller and Corry Van Iersel** as of the Effective Date, or the respective nominees of the Shareholders.

Should any vacancy occur on the Board of Directors, such vacancy shall be filled forthwith by the appointment of a nominee by existing Shareholders who is not then represented by the nominee to which they are entitled hereunder. Until such vacancy is filled, the Board of Directors shall not transact any business or exercise any of its powers or functions, save and except as may be necessary to elect such new director and/or preserve the business and assets of the Corporation. Provided that if a replacement director is not elected as aforesaid within twenty-one (21) days of such vacancy occurring, thereafter the directors then in office shall be entitled to transact business and exercise all of the powers and functions of the Board of Directors.

- (b) A quorum for a meeting of the Board of Directors shall be two directors.
- (c) A quorum for a meeting of the Shareholders shall be two shareholders, present or represented by proxy, holding shares of the Corporation enjoying voting rights at such meeting, provided that notwithstanding any other provision of this Agreement, both **Kenneth Schaller and Corry Van Iersel** must be present
- (d) All contracts and documents binding shall require the signatures of those individuals determined by the Board of Directors from time to time.
- (e) The Corporation will not undertake any of the following without the prior unanimous consent of the Shareholders:
- i. any change or amendment to the Articles of the Corporation;
 - ii. the enactment, amendment or repeal of any bylaws of the Corporation;
 - iii. any increase or decrease in the number of the minimum and maximum number of directors of the Corporation;
 - iv. the issuance of any Shares or securities;
 - v. the purchase or redemption of any Shares of the Corporation;
 - vi. the declaration or payment of dividends on any of its Shares;
 - vii. the sale or disposition of its undertaking as an entirety or substantially as an entirety;
 - viii. the purchase, sale or lease by the Corporation of any real property;
 - ix. the lending of money by the Corporation;
 - x. the guarantee by the Corporation of the debts of any person in any amount;

- xi. the amendment to the signing authority relating to the Corporation bank accounts or credit cards or the change of persons having access to the Corporation's safety deposit boxes;
- xii. the carrying on of any business other than the Business or any activity incidental thereto or the discontinuance of the Business;
- xiii. any material investment in any other corporation, or the entry into of any partnership with any other person;
- xiv. any material change in the business of the Corporation;
- xv. enter into any contracts, agreements or commitments out of the ordinary course of business;
- xvi. any change in the fiscal year of the institution of any proceedings for the winding-up, reorganization or dissolution of the Corporation;
- xvii. the amalgamation or merger with or into any other corporation;
- xviii. any expenditure greater than or equal to Five Thousand (\$5,000.00) Dollars;
- xix. enter into any contracts, agreements or commitments with any insurance company;
- xx. hiring and dismissal of employees, executives, or consultants;
- xxi. contract with non-arm's length Parties to the Corporation;
- xxii. except as otherwise provided for herein, the fixing, paying or changing of any salary, bonus or fee of any director, officer of the Corporation;
- xxiii. except as otherwise provided for herein, the approval of all salaries, benefits, and service contracts;
- xxiv. borrowing of any money;
- xxv. appointment of any accountants, legal counsel, or additional service providers;
- xxvi. commencement of legal proceedings;
- xxvii. declaration of bonuses;
- xxviii. any change to the officers and directors of the Corporation;
- xxix. any action or transaction not in the ordinary course of business of the Corporation; and
- xxx. cause or permit a subsidiary to undertake any of the acts set out in the sub-paragraphs above.

4.2 Notwithstanding the above, and subject to the Business Corporations Act (Ontario), the Shareholders hereby agree that they shall approve, and cause the Corporation to redeem, any Special Shares with any corresponding available profits. Once all Special Shares are redeemed, any and all profits shall be equally divided and paid out as dividends to the Shareholders, or as otherwise agreed upon by the Shareholders. Shareholder loans or other related company loans shall be paid out prior to dividends being issued, unless otherwise agreed to in writing.

ARTICLE 5

OPERATION AND FINANCING

- 5.1 Proper books of account shall be kept by the Corporation and entries shall be made therein of all matters, terms, transactions and things as are usually written and entered into books of account in accordance with generally accepted accounting principles and each of the Shareholders or their nominees shall have free access at all times to examine and copy them and shall at all times furnish to the others correct information, accounts and statements of and concerning all transactions pertaining to the Corporation without any concealment or suppression.
- 5.2 The Corporation shall maintain a bank account or bank accounts at such bank, banks, trust company or trust companies as the Board of Directors shall from time to time determine. All bank accounts shall be kept in the name of the Corporation and all cheques, bills, notes, drafts or other instruments shall require the signatures of such individuals as the Board of Directors may from time to time determine. All monies received from time to time for the account of the Corporation shall be paid immediately into such bank account or accounts for the time being in operation, in the same drafts, cheques, bills or cash in which they are received and all disbursements on account of the Corporation shall be made by cheque on such bank, banks, trust company or trust companies.
- 5.3 No Shareholder shall at any time, directly or indirectly, disrupt, disparage, impair or interfere with the Corporation or the business thereof, whether by way of disrupting its relationships with customers, agents, representatives or vendors, disparaging or diminishing the reputation of the Corporation or any of its Affiliates or otherwise.
- 5.4 If further funds are required for the purposes of the Corporation, such funds shall be obtained, to the greatest extent possible, by the Corporation borrowing from a chartered bank or other lender. The decision whether such funds are required, from whom such funds will be borrowed and the terms and conditions of such borrowing shall be determined by the Board of Directors from time to time. Each of the Shareholders covenants to use their reasonable best efforts to obtain such funds and covenants to execute and deliver all necessary documents, statements and assurances as may be required by such bank or other lender. The Shareholders further agree that they shall attempt to obtain such funds upon their several guarantees only.
- 5.5 If, notwithstanding compliance by the Shareholders with the provisions of Section 5.3 and 5.4 of this Agreement, the Corporation shall not have obtained all or part of the said funds from a bank or other lender, then, within ten (10) days after a demand in writing by the Corporation is received or deemed to have been received by such Shareholder, each Shareholder shall advance to the Corporation such portion of the said funds, or the part thereof that the Corporation shall not have obtained from a bank or other lender, as is proportionate to their beneficial common shareholdings in the Corporation. All advances made to the Corporation shall be treated as Shareholders' Advances and shall be upon the security and at the rate of interest (which shall be the same for all Shareholders), if any, as shall be determined by the Board of Directors from time to time (interest rate to be at

Prime Bank Rate plus five (5%) percentage points per annum unless otherwise agreed upon). None of those advances shall be called by the Shareholders or repaid to them, in whole or in part, except as is determined by the Board of Directors; provided that whenever any amounts on account of such advances are repaid to the Shareholders, they shall be repaid to them on a basis proportionate to their advances to the Corporation.

- 5.6 If a Shareholder (hereinafter in this Article sometimes called a "Guarantor") has guaranteed, with the consent of the other Shareholders, the obligations of the Corporation to any bank or other lender and the Guarantor has made payment to such bank or other lender under such guarantee, then each of the other Shareholders (hereinafter in this Article sometimes called an "Indemnifier") shall pay to the Guarantor, forthwith upon demand, a proportionate amount of such payment equal to the proportion which the then beneficial common shareholdings of that Indemnifier bears to the then total common shareholdings of the Shareholders.
- 5.7 In the event that any one or more of the Indemnifiers shall not make a payment required herein, then the proportionate amount to be paid by the Guarantor by the other Indemnifiers shall be adjusted by excluding the beneficial common shareholdings of the defaulting Indemnifier from the total beneficial common shareholdings of the Shareholders and such additional amount shall be paid to the Guarantor forthwith upon demand. Provided that nothing hereinbefore contained shall relieve the defaulting Indemnifier from their obligation to pay to the Guarantor and the other Indemnifiers, as the case may be, their proportionate share of the amount paid by the Guarantor, determined without having to regard to their default. In addition, the defaulting Indemnifier shall pay to the Guarantor and the other Indemnifiers, daily, interest at the Prime Bank Rate plus five (5%) percentage points per annum, calculated and payable daily, not in advance, computed from the first day upon which such payment should have been made on the amount owing by them to the Guarantor and other Indemnifiers, as the case may be. For the purposes hereof, the Prime Bank Rate shall be determined daily to apply with respect to the monies owing at the end of the next succeeding day. The amount payable by the defaulting Indemnifier hereunder together with interest thereon, calculated as aforesaid, shall be fully paid to the Guarantor and the other Indemnifiers before any bonus, withdrawal or other distribution from the Corporation is made to the defaulting Indemnifier and the Corporation is hereby authorized and directed to pay the amount of any such bonus, withdrawal or other distribution (to the extent of the amount owing by the defaulting Indemnifier to the Guarantor and other Indemnifiers, as aforesaid) to the Guarantor and other Indemnifiers in reduction of such amount.
- 5.8 If any Shareholder (in this Section called a "Defaulting Shareholder") does not make the full or any part of the advance or advances required to be made by them pursuant to the provisions of Section 5.5 of this Agreement, then the other Shareholders, if not so in default, are entitled to advance to the Corporation those amounts (in this Section called the "Excess Advance"). If more than one of the other Shareholders wishes to make the Excess Advance each of such Shareholders shall pay a portion of such Excess Advance equal to the proportion which their beneficial common shareholding in the Corporation bears to the total common shareholdings in the Corporation of all of the Shareholders who wish to do so. If only one of the Shareholders wishes to make the Excess Advance,

such Shareholder shall be entitled to make the whole Excess Advance to the Corporation. In the event that an Excess Advance is made, the Excess Advance shall be deemed to be a loan or loans (in this Section called the "Loan(s)") to the Defaulting Shareholder by the Shareholder(s) that made that Excess Advance and to have been advanced to the Corporation on behalf of the Defaulting Shareholder(s). The Defaulting Shareholder shall pay to the Shareholder(s) that made the Excess Advance daily interest on so much of the Loan(s) as is outstanding from time to time, at the Prime Bank Rate plus five (5%) percentage points per annum, calculated and payable daily, not in advance, computed from the first day upon which the Excess Advance is made. For the purposes hereof the Prime Bank Rate shall be determined daily to apply with respect to the monies owing at the end of the next succeeding day. The Defaulting Shareholder hereby irrevocably directs the Corporation to make all payments of interest which would otherwise be payable to the Defaulting Shareholder, directly to the Shareholder(s) that made the Excess Advance, to be credited by the said Shareholder(s) to the amount of interest payable by the Defaulting Shareholder to the said Shareholder(s). The Loan(s) shall be payable on demand. The Defaulting Shareholder shall be entitled to pay the whole or any part of the Loan(s) at any time or times and the Corporation is hereby irrevocably directed to pay any bonus, withdrawal or other distribution payable to the Defaulting Shareholder (to a maximum of the amount of the Loan(s) plus accrued interest), directly to the Shareholder(s) on account of the amount owing by the Defaulting Shareholder to the said Shareholder(s).

- 5.9 All Shareholder loans to, or from, the Corporation shall be payable at 10% interest only unless otherwise agreed upon in writing. All loan interest shall be payable monthly unless otherwise agreed upon.

ARTICLE 6

PROPERTY MANAGEMENT

6. 1 Subject to the Corporation ceasing to operate its business and own a property, or the Corporation retaining a professional management company to manage properties owned by it, the Shareholders agree to retain a professional management company. No management fees will be paid to either Shareholder for management. A written contract shall be signed by both parties for property management.

ARTICLE 7

RESTRICTIONS ON TRANSFER OF SHARES

- 7.1 The Shareholders covenant that they will not sell, assign, transfer, pledge, mortgage, charge, create a security interest in, hypothecate, enter into any agreement or option to or otherwise dispose of, encumber or deal with any of the shares of the Corporation beneficially owned or controlled by them, except in accordance with the terms of this agreement, or except with the prior written consent of the other of the Shareholders.

ARTICLE 8

OPTION ON INSOLVENCY

- 8.1 Upon the Insolvency of a Shareholder, the Corporation shall have, and such Shareholder hereby grants to the Corporation, the option to purchase, free from encumbrances and upon and subject to all of the applicable terms and conditions hereinafter set forth, all of such Shareholders shares in the capital of the Corporation owned by such Shareholder. Notwithstanding any other provision of this Agreement, the decision by the Corporation to exercise the option provided for in this Section shall be made in the sole discretion, and without the required consent, of the Shareholder that may be required to sell their shares.
- 8.2 The option to purchase granted to the Corporation upon the occurrence of any of the events specified in subsection 8.1 hereof shall be open for exercise by the Corporation for a period of 120 days from the later of (a) the occurrence of the event giving rise to the option, and (b) the date on which the remaining Shareholders become aware of the occurrence of the event giving rise to the option, but not thereafter.
- 8.3 The option granted to the Corporation pursuant to the provisions of this Article 8 shall be exercised by the Corporation giving written notice of exercise within the appropriate time limit as specified in subsection 8.2, and following such exercise, such Shareholder shall sell and the Corporation shall purchase all of the Shares of such Shareholder free from all encumbrances upon and subject to the applicable terms and conditions hereinafter set forth.
- 8.4 The purchase price to be paid by the Corporation to such Shareholder for each shares owned by such Shareholder on the Effective Date shall determined in accordance with the provisions of Article 12 hereof.
- 8.5 The closing of the transaction of purchase and sale contemplated by this Article shall take place at the Place of Closing at the Time of Closing on the date (in this Article, the "Date of Closing") which is the later of:
- (a) the date which is ninety (90) days after the receipt by the Vendor of the notice contemplated in Section 8.3 hereof; and
 - (b) the date which is ninety (90) days after the purchase price for the Purchased Shares is finally determined in accordance with the provisions of Article 12 hereof.
- 8.6 The purchase price for the Purchased Shares shall be paid in full at the Time of Closing.

ARTICLE 9

OBLIGATION ON DEATH

- 9.1 Upon the death of a Shareholder for any reason, (a) the Corporation shall, at the option of the executors or trustees of the deceased Shareholder, be obligated to purchase, free from encumbrances and upon and subject to all of the applicable terms and conditions

hereinafter set forth, the Shares held by the Shareholder, and (b) such Shareholder shall have the option to sell, free from encumbrances and upon and subject to all of the applicable terms and conditions hereinafter set forth, all of the shares in the capital of the Corporation, by providing written notice to the Corporation within six (6) months of the death of the deceased Shareholder that the Shareholder's executors or trustees wish to exercise such option.

- 9.2 The purchase price to be paid on the Effective Date shall determined in accordance with the provisions of Article 12 hereof.
- 9.3 The closing of this transaction of purchase and sale contemplated by this Article shall take place at the Place of Closing at the Time of Closing on the date (in this Article, the "Date of Closing") which shall be the latest of:
- (a) the date which is ninety (90) days after the deliver of the written notice to exercise the option set out in Section 9.1 above;
 - (b) the date which is seven (7) days following receipt of all necessary governmental releases or approvals required to be obtained in order to effect a valid transfer of the Purchased Shares (and the parties hereto covenant and agree to use their best efforts to obtain such releases);
 - (c) the date which is thirty (30) days after the Purchase Price is finally determined in accordance with the provisions of Article 12 hereof; and
 - (d) the date on which any insurance obtained in accordance with Article 13 is finally paid in full to the Corporation, if any.

ARTICLE 10

RIGHT OF FIRST REFUSAL

- 10.1 If any Shareholder (hereinafter referred to as the "Offeror") receives a bona fide written offer (the "Offer") from any person, firm or corporation dealing at arm's length with the Offeror to purchase all of the shares in the capital of the Corporation owned by him for cash payable in full on closing, which is acceptable to him, he shall, by notice in writing (the "Second Offer"), offer to sell such shares (the "Purchased Shares") to the other Shareholder (hereinafter referred to as the "Offeree") at the same price and upon the same terms and conditions as are contained in the Offer. Such notice shall be accompanied by a true copy of the Offer and an affidavit of the Offeror attesting to the fact that there is no commission or other similar fee that may be or may become due and payable to any broker, agent or other intermediary in connection with the sale of the Purchased Shares pursuant to the Offer, if such is the case. The Second Offer shall not be revocable except with the consent of the Offeree and shall be open for acceptance by the Offeree for a period of ten (10) days from the date upon which such notice was received

or deemed to be received by the Offeree. Notwithstanding anything to the contrary herein contained, the terms and conditions contained in the Second Offer shall be amended so that there shall be deducted from the purchase price for the Purchased Shares payable pursuant to the Offer the amount of any commission or other similar fee that would otherwise have been payable to any broker, agent or other intermediary in connection with the sale of the Purchased Shares pursuant to the Offer.

- 10.2 If the Second Offer is accepted by the Offeree, then the Offeror (the "Vendor") shall sell and the Offeree accepting the Second Offer (the "Purchaser") shall purchase the Purchased Shares upon the terms and conditions contained in the Second Offer. The closing of the transaction of purchase and sale pursuant to the Second Offer shall take place at the Place of Closing at the Time of Closing on the date (in this Article the "Date of Closing") which is fifteen (15) days after the date on which the Second Offer is accepted by the Offeree to have accepted the Second Offer.
- 10.3 If, during the time limited therefor, the Offeree shall not have accepted the Second Offer, then, subject to the provisions of 11.4 hereof, the Offeror shall be entitled to sell the Purchased Shares in accordance with the Offer. The Board of Directors before consenting to the transfer of the Purchased Shares shall be entitled to require proof that the sale took place in accordance with the Offer (except as to the date of closing which, subject to 1 1.4 hereof, may be varied) and the directors of the Corporation shall refuse to permit the recording of the transfer of the Purchased Shares which may have been sold otherwise than in accordance with the provisions of this agreement.
- 10.4 If a sale of the Purchased Shares pursuant to the Offer is not completed within ninety (90) days from the giving of notice to the Offeree as aforementioned, no sale of the Purchased Shares shall be made without the Offeror again complying with the terms of this Article.
- 10.5 Notwithstanding the foregoing, no disposition pursuant to the Offer shall be valid or effective until the acquiror of the shares in question shall have entered into an agreement with the other parties hereto consenting to the terms hereof and agreeing to assume all of the obligations of the Offeror as though such acquiror were the Offeror, in which event such acquiror shall be entitled to all of the rights and be subject to all obligations on the part of the Offeror herein mutatis mutandis. Notwithstanding such disposition, as between the Offeror and the other parties hereto, the Offeror shall remain liable as principal debtor under all covenants contained herein and the Offeror agrees to unconditionally guarantee to the other parties hereto the due performance by the acquiror of all obligations imposed upon him hereunder. The liability of the Offeror is unconditional and may be enforced without requiring the other parties hereto first to proceed against the acquiror or to proceed against or exhaust any security held or to pursue any other remedy whatsoever. The Offeror hereby authorizes the other parties hereto to renew, compromise, extend, accelerate or otherwise change the time for payment or any term relating to the performance of any such obligations and hereby waives presentment, protest, notice of protest, notice of dishonour, demand for performance and notice of acceptance of this guarantee by the other parties hereto.

ARTICLE 11
BUY/SELL PROVISION

- 11.1 At any time after the date of this Agreement and subject to the provisions of Article 14 hereof, either Shareholder (the "Initiating Shareholder"), provided such Shareholder is not a Defaulting Shareholder as defined in Section 5.9 hereof, shall be entitled to give to the other Shareholder (the "Receiving Shareholder") a notice in writing (the "Notice") which shall contain the following:
- (a) the total purchase price for the Shares (for the purposes of this Article, the "Purchase Price ") beneficially owned by the Receiving Shareholder;
 - (b) an irrevocable offer by the Initiating Shareholder to purchase (the "Offer to Purchase") the Shares owned by the Receiving Shareholder at the Purchase Price in the Notice and specifying a closing date not sooner than sixty (60) days and no later than ninety (90) days following the date of Notice;
 - (c) an irrevocable offer to sell to the Receiving Shareholder (the "Offer to Sell") the Shares beneficially owned by the Initiating Shareholder at the same price per Share, on the same terms and having the same closing date as specified in the Offer to Purchase; and
- 11.2 Upon receipt of the Notice by the Receiving Shareholder, the Receiving Shareholder shall not be entitled to deliver a similar notice.
- 11.3 The Receiving Shareholder shall be entitled to accept either the Offer to Purchase or the Offer to Sell by executing and returning same to the Initiating Shareholder within thirty (30) days following the receipt by the Receiving Shareholder of the Notice.
- 11.4 If no written acceptance of either the Offer to Purchase or the Offer to Sell is received by the Initiating Shareholder within such thirty (30) day period, the receiving Shareholder shall conclusively be deemed to have accepted the Offer to Purchase on the last day of such thirty (30) day period.
- 11.5 The closing shall otherwise take place in accordance with the Offer to Purchase or Offer to Sell, as the case may be, and otherwise in accordance with the terms of Article 14.

ARTICLE 12

VALUATION

- 12.1 The Shareholders shall endeavour to agree upon the fair market value of the Shares. In the event that the Shareholders cannot by unanimous agreement agree upon the value of the Shares within thirty (30) days of the event or decision requiring the valuing of the Shares, each Shareholder shall forthwith within ten (10) days of the expiration of such 30 day period appoint a chartered accountant, chartered business valuer or firm of chartered accountants (the "Valuers") to value the Shares. The Valuers shall be selected from a list of chartered accountants, chartered business valuers or firm of chartered accountants as agreed upon by the Shareholders. In the event of a dispute as to such list, the President of the Institute of Chartered Accountants of Ontario shall decide on the composition of the list. The Shareholders shall disclose and cause the Corporation to disclose all material information relating to the valuation including the reason for the valuation.
- 12.2 In the event the Valuers provide estimates of the value of the Shares so that the lowest estimate is not less than 10% lower than the value of the highest estimate, the estimates of the values determined by the Valuers shall be averaged; which value shall then be deemed to be the fair market value of the Shares.
- 12.3 In the event that the values estimated by the Valuers are not within the range of 10%, the Valuers shall, within ten days appoint an additional valuer who also shall be a chartered accountant, chartered business valuer or firm of chartered accountants decide the value of the Shares. The value of the Shares shall be deemed to be the value of the Shares previously estimated by the Valuer with a figure for the value of the Shares which is closest to that decided upon by the additional valuer. In the event that the Valuers cannot agree on a chartered accountant, chartered business valuer or firm of chartered accountants to be the additional valuer, the President of the Institute of Chartered Accountants of Ontario shall appoint the additional valuer. The additional Valuer shall decide which value of the Shares to accept within thirty days of his appointment. Upon such acceptance the value proposed by the Valuer chosen shall be the value of the Shares for all purposes of the Agreement. In the event that the additional Valuer fails to decide which valuation to accept, the valuation shall be deemed to be the average of the figures for the value of the Shares submitted by the Valuers.
- 12.4 The Valuers, the replacement Valuers and the additional Valuer shall advise and deliver their estimates of the value of the Shares to the Shareholders within the times provided for in this paragraph. Provided that any of the times provided for in this paragraph may be extended or abridged with the unanimous agreement of all of the Partners.
- 12.5 The costs of the valuation shall be borne by each Shareholder individually; each Shareholder shall be responsible for the costs of its Valuer appointed, including any replacement Valuer appointed for such Partner. In the event that an additional Valuer is appointed, his costs will be paid by the Corporation.

12.6 The following are the criteria to be employed by the Valuers, the replacement Valuers and the additional Valuers with respect to the valuation of the Shares in accordance with the provisions of this paragraph:

- (a) The Shares must be valued immediately prior to the event or decision causing the need for the valuation;
- (b) There should be no provision made for the value of, nor for any proceeds received or receivable in respect of any policy of insurance owned by the Corporation on the life of any Shareholder;
- (c) Notwithstanding the foregoing, in no event shall the ultimate purchase price of the Shares of the Vendor when added to the amount of the Shareholders' Loan of the Deceased be less than the life insurance proceeds received by the Corporation on account of the death of the Deceased;
- (d) Real estate assets may be appraised;
- (e) The Shares must be valued using generally accepted accounting principles and generally accepted valuation principles; and
- (f) Information regarding the valuation of the Shares previously prepared by independent third parties, including appraisals, may be relied upon;

Having regard to the foregoing criteria, the value of the Shares shall be the value that would result in a sale of the Shares as a consequence of negotiations between a fully informed and willing vendor and a fully informed and willing purchaser neither of whom is motivated by a desire to engage in questionable or unethical practices who deal with one another at arms length (as defined in the Income Tax Act, R.S.C. 1952, c. 148).

The Purchase Price for the Shares of each class in the capital of the Corporation being purchased and sold pursuant to article 12 hereof shall be determined by dividing the Fair Market Value of all of the issued and outstanding Shares of such class in the capital of the Corporation divided by the number of such Shares of such class and multiplying the resulting amount by the number of Shares of such class being purchased and sold.

ARTICLE 13

LIFE INSURANCE

1 3.1 The Shareholders hereby acknowledge that, in order to ensure that sufficient funds will be available for the purposes of Article 9, hereof upon the death of a Shareholder, insurance policies, may be obtained by the Corporation on the lives of both Kenneth Schaller and Corry Van Iersel in an amount as determined at the discretion of the Board of Directors. The Shareholders further acknowledge and agree that the provisions of this Article shall apply to any such policies and to any additional policy or policies of insurance which may be obtained by the Corporation.

- 13.2 The Corporation shall pay, as they become due, all premiums for any insurance policies purchased in connection with the insurance policy or policies and shall maintain in good standing at all times such policy or policies and shall not deal in any manner with such policy or policies and, without limiting the generality of the foregoing, shall not assign, transfer, dispose of, surrender, borrow upon or in any way encumber such policy or policies.
- 13.3 Upon the death of the life insured under any of the said policies during the term of this agreement, the Corporation shall collect the proceeds thereof as soon as possible and shall hold such proceeds in trust and shall pay and apply such proceeds or the amount thereof required in cash or by certified cheque in and towards the purchase price of the shares of the deceased party upon the Date of Closing (as such term is defined in Article 7) as the whole or part payment (depending on the amount of the said proceeds of insurance) of the amount required to be paid upon the said Date of Closing in accordance with the provisions of this Agreement for the purchase of the said shares of the deceased.
- 13.4 In the event that this Agreement should be cancelled by the consent of the parties hereto, thereupon the ownership of any insurance policies obtained shall be transferred to the life insured of the said policies, in consideration for the payment of the cash surrender value thereof, or if there be no cash surrender value, then for the sum of One Hundred (\$100.00) Dollars for each such policy, together, in either event, with the full amount of any unexpired prepaid premiums for each such policy.

ARTICLE 14

GENERAL SALE PROVISIONS

- 14.1 Except as may otherwise be provided in this Agreement, the provisions of this Article shall apply to any sale of shares of the Corporation pursuant to the provisions of Article 8, Article 9, Article 10 and Article 11 hereof mutatis mutandis.
- 14.2 For the purpose of this Article, the terms "Vendor", "Purchaser", "Date of Closing" and "Purchased Shares" shall have the meanings attributed thereto in Article 8, Article 9, Article 10 and Article 11 hereof, as the case may be.
- 14.3 At the Time of Closing, the Vendor shall:
- (a) deliver to the Corporation signed resignations of the Vendor and their nominees, if any, as directors, officers and employees of the Corporation, as the case may be;
 - (b) assign and transfer to the Purchaser the Purchased Shares and shall deliver the required share certificate(s) duly endorsed for transfer into the Purchaser's name;
 - (c) do all other things required in order to deliver good and marketable title to the Purchased Shares to the Purchaser free and clear of any claims, liens and

encumbrances whatsoever including, without limitation, the delivery of any governmental releases and declarations of transmission. Provided that, if at the Time of Closing the Purchased Shares are not free and clear of all claims, liens and encumbrances whatsoever, the Purchaser may, without prejudice to any other rights which such Shareholder may have, purchase the Purchased Shares subject to such claims, liens and encumbrances. In that event, the Purchaser shall, at the Time of Closing, assume all obligations and liabilities with respect to such claims, liens and encumbrances and the purchase price payable by the Purchaser for the Purchased Shares shall be satisfied, in whole or in part, as the case may be, by such assumption. The amount so assumed shall reduce the purchase price payable at the Time of Closing;

- (d) deliver to the Corporation a release by each of the Vendor and their nominees, if any, all of their claims against the Corporation with respect to any matter or thing up to and including the Time of Closing in their capacity as a director, officer, shareholder, employee or creditor of the Corporation, as the case may be, except for any claims which might arise out of the transactions of purchase and sale herein contemplated;
- (e) either provide the Purchaser with evidence reasonably satisfactory to the Purchaser that the Vendor is not then a "non-resident" of Canada within the meaning of the Income Tax Act (Canada) or provide the Purchaser with a certificate pursuant to Subsection 116(2) of the Income Tax Act (Canada) with a certificate limit in an amount not less than the purchase price for the Purchased Shares; provided that if such evidence or certificate is not forthcoming, the Purchaser shall be entitled to make the payment of tax required under Article 1 16 of the Income Tax Act (Canada) and to deduct such payment from the purchase price for the Purchased Shares; and
- (f) deliver to the remaining Shareholders a release by the Vendor in their capacity as a director, officer and shareholder of the Corporation of all of their claims against each remaining Shareholder and their nominees, if any, in their capacity as a shareholder, director or officer of the Corporation, except for any claims which might arise out of the transaction of purchase and sale herein contemplated.

14.4 If, at the Time of Closing, the Vendor, or any person, firm or corporation for or on behalf of the Vendor, shall have any guarantees, securities or covenants lodged with any person, then the remaining Shareholders shall use their reasonable best efforts to deliver up or cause to be delivered up to the Vendor or cancel or cause to be cancelled such guarantees, securities and/or covenants at the Time of Closing. If, notwithstanding such reasonable best efforts, the delivery up or cancellation of any such guarantee, security or covenant is not obtained, the remaining Shareholders shall deliver to the Vendor and/or the person, firm or corporation which shall have provided such guarantee, security or covenant, an indemnity in writing, in form reasonably satisfactory to counsel for the Vendor, indemnifying them against any and all claims, demands, costs, expenses, damages,

liabilities and suits which may be or which shall have been paid, suffered or incurred by them with respect to the said guarantee, security or covenant.

14.5 At the Time of Closing, each of the remaining Shareholders shall:

- (a) deliver to each of the Vendor and their nominee, if any, a release by them, in their capacity as a director, officer and shareholder of the Corporation, of all their claims against the Vendor and their nominees in their capacity as a shareholder, director or officer of the Corporation, except for any claims which may arise out of the transactions of purchase and sale herein contemplated; and
- (b) cause the corporation to deliver to each of the Vendor and their nominees a release by the Corporation of all its claims against each of the Vendor and their nominees with respect to any matter or thing arising as a result of the Vendor or their nominees being a shareholder, director or officer of the Corporation, as the case may be, except for any claims which might arise out of the transactions of purchase and sale herein contemplated.

14.6 If, at the Time of Closing, the Corporation is indebted to the Vendor in an amount recorded on the books of the Corporation and verified by the accountants of the Corporation, the Corporation shall repay such amount to the Vendor at the Time of closing.

14.7 If, at the Time of Closing, the Vendor is indebted to the Corporation in an amount recorded on the books of the Corporation and verified by the accountants of the Corporation, the Vendor shall repay such amount to the Corporation at the Time of Closing.

14.8 If, at the Time of Closing, the Vendor fails to complete the subject transaction of purchase and sale, the Purchaser shall have the right, if not in default under this Agreement, without prejudice to any other rights which such Shareholder may have, upon payment of the purchase price payable to the Vendor at the Time of Closing to the credit of the Vendor in the main branch of the Corporation's bankers in the City of Cambridge, Ontario, to execute and deliver, on behalf of and in the name of the Vendor, such deeds, transfers, share certificates, resignations or other documents that may be necessary to complete the subject transaction and the Vendor hereby irrevocably appoints the Purchaser their attorney in that behalf in accordance with the Powers of Attorney Act, R.S.O. 1990, c.P20, or the Substitute Decisions Act, 1992, and in accordance with the said Act, the Vendor declares that this power of attorney may be exercised during any subsequent legal incapacity on their part.

14.9 If the provisions of any of Article 8, Article 9 and Article 10 hereof become applicable, then from such date until the Time of Closing (as defined in the particular Article) the Shareholders shall not do, nor cause, nor permit to be done anything except that which is in the ordinary course of business of the Corporation.

14.10 For greater certainty, the parties hereto acknowledge and agree that the Purchasers in any transaction of purchase and sale contemplated in this Agreement are not jointly liable

for the payment of the purchase price for the Purchased Shares and any indebtedness purchased hereunder, but are only liable for their proportionate share thereof.

ARTICLE 15

MEDIATION AND FAMILY LAW ACT

- 15.1 If any dispute or controversy shall occur between the parties hereto relating to the interpretation or implementation of any of the provisions of this Agreement, such dispute shall be resolved by mediation. Such mediation shall be conducted by a single mediator. The mediator shall be appointed by agreement between the parties or, in default of agreement, such mediator shall be appointed by a Judge of the Ontario Superior Court of the Region of Waterloo upon the application of any of the said parties and a Judge of the Ontario Superior Court of the Region of Waterloo shall be entitled to act as such mediator, if he or she so desires. Any such mediation shall be held in the Region of Waterloo. The procedure to be followed shall be agreed by the parties or, in default of agreement, determined by the mediator. It is further agreed that such mediation shall be a condition precedent to the commencement of any action at law.
- 15.2 Each undersigned Shareholder agrees and covenants that if:
- (a) pursuant to any order of a court, property is required to be transferred from a Shareholder to a Spouse;
 - (b) such order does not require that the Shares of a Shareholder be transferred to the Spouse; and
 - (c) the value of the property that is required to be transferred from the Shareholder or Principal to the Spouse is less than the value of the property of the Shareholder or Principal excluding the Shares or securities of the Shareholder of which it is Principal,

then such order will be satisfied by the transfer to the Spouse of property of the Shareholder other than Shares or securities of the Shareholder in the Corporation. The value of the property of the Shareholder excluding the Shares or securities of the Shareholder of which it is Principal, is calculated net of all debts, liabilities and obligations of the Shareholder or Principal.

ARTICLE 16

CONFIDENTIALITY

- 16.1 During the term of this Agreement the Shareholders and Principal Shareholders will have access to confidential proprietary information relating to the Corporation's business and affairs including, without limitation, information and data relating to former, existing and potential clients, in such forms as client lists, economic information, business plans, and marketing strategies (hereinafter, "Confidential Information") the disclosure of which

would be highly detrimental to the best interests of the Corporation. Each of the Shareholders and Principal Shareholders acknowledges and agrees that the right to maintain confidential such Confidential Information constitutes a proprietary right which the Corporation is entitled to protect. Accordingly, each of the Shareholders and Principal Shareholders covenants and agrees with and for the benefit of the Corporation that they shall not, without the prior written consent of the Corporation:

- A) either during the term of this Agreement or at any time thereafter use or disclose to any person, firm, corporation, or partnership any such Confidential Information concerning the business or affairs of the Corporation including, without limiting the generality of the foregoing, the names and any other particulars relating to any former, current or prospective clients of the Corporation;

16.2 Each Shareholder hereto and Principal Shareholder hereto understands and agrees that the restrictions and covenants contained in this Article 17 constitute a material inducement to the other Shareholders to enter into this Agreement and that the other Shareholders would not enter into this Agreement absent such inducement. The Shareholders hereto agree that the restrictions and covenants contained in this Article 15 shall be construed independent of any other provision of this Agreement, and the existence of any claim or cause of action by a Shareholder hereto against the Corporation or any other Shareholder, whether predicated under this Agreement or otherwise, shall not constitute a defense to the enforcement by the Corporation or any other Shareholder of the said restrictions and covenants contained in this Article 17. Further, any clause or provisions of this Article 17 that may be found unenforceable shall be considered to be severable from the rest of this Article 17, which remaining portions shall continue in full force and effect in accordance with the terms of this Article 16 and this Agreement.

16.3 The Shareholders hereto and Principal Shareholders hereto acknowledge, agree and understand that in addition to any of the Corporation's and the other Shareholder's remedies at law, and without prejudice to any and all remedies available to the Corporation or the other Shareholders, an injunction is the only effective remedy for any breach of a Shareholder's or Principal Shareholders' covenants under this Article and that the Corporation and the other Shareholders would suffer irreparable harm and injury in the event of any such breach. Accordingly, the Shareholders and Principal Shareholders hereto hereby agree that the Corporation or any other party hereto may apply for and have injunctive relief, including an interim or interlocutory injunction, in any court of competent jurisdiction, to enforce any of the provisions in this Article 17 upon the breach or threatened breach thereof. The parties hereto further agree that the Corporation or any other party hereto may apply for and are entitled to said injunctive relief without having to prove damages, and are entitled to all costs and expenses, including legal costs.

ARTICLE 17

GENERAL CONTRACT PROVISIONS

17.1 All share certificates of the Corporation shall have the following legend endorsed thereon forthwith after the execution of this Agreement:

"The shares represented by this certificate are subject to a Shareholders Agreement dated the 2nd day of January, 2024, made among **Kenneth Schaller and Corry Van Iersel**.

17.2 All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by registered mail, postage prepaid, addressed to such other party or delivered to such other party as follows:

- A. TO Kenneth Schaller – 780 Concession 8 Rd West, Puslinch, ON
- B. TO Corry Van Iersel – 5-697 Coronation Blvd, Cambridge, ON
- C. TO THE Corporation: 5-697 Coronation Blvd, Cambridge, ON


or at such other address as may be given by any of them to the others in writing from time to time and such notices, requests, demands or other communications shall be deemed to have been received when delivered, or, if mailed, forty-eight (48) hours after 12:01 a.m. on the day following the day of the mailing thereof; provided that if any such notice, request, demand or other communication shall have been mailed and if regular mail service shall be interrupted by strike or other irregularities, such notices, requests, demands or other communications shall be deemed to have been received forty-eight (48) hours after 12:01 a.m. on the day following the resumption of normal mail service.

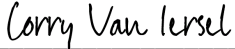
- 17.3 The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.
- 17.4 Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.
- 17.5 This Agreement constitutes the entire Agreement between the parties hereto with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties hereto rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof.
- 17.6 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives. All parties have had the opportunity to obtain independent legal advice.

IN WITNESS WHEREOF the parties have duly executed this agreement this 2nd day of January, 2024

Kenneth Schaller

Corry Van Iersel

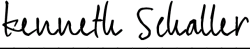
DocuSigned by:

Name: Kenneth Schaller
Title: shareholder


DocuSigned by:

Name: Corry Van Iersel
Title: shareholder

Date: 1/4/2024 | 12:16:53 PM EST

Date: 1/4/2024 | 3:47:06 PM EST

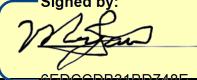
2268903 Ontario Inc./ Bamboo Blaze

DocuSigned by:

Name: Kenneth Schaller
Title:

DocuSigned by:

Name: Corry Van Iersel
Title:

Date: 1/4/2024 | 12:16:53 PM EST

This is Exhibit “H” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

SHAREHOLDERS' AGREEMENT

THIS AGREEMENT made the 5th day of November, 2021.

A M O N G:

THE VANCOR GROUP INC.

a corporation incorporated in the Province of Ontario
("VANCOR")

OF THE FIRST PART;

- and -

PICI INVESTMENTS INCORPORATED,

a corporation incorporated in the Province of Ontario
("PICI")

OF THE SECOND PART

- and -

GARAS FAMILY HOLDINGS INC,

a corporation incorporated in the Province of Ontario
("Garas")

OF THE THIRD PART

- and -

2767888 ONTARIO INC.

a corporation incorporated in the Province of Ontario,
(the "Corporation")

OF THE FOURTH PART;

WHEREAS the parties wish to enter into this agreement in order to make arrangements regarding the organization and affairs of the Corporation and the sale of their shares of the Corporation under certain circumstances;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the respective covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATIONS

1.1 As used in this agreement, the following words and phrases mean:

- (a) "Affiliate" means an affiliate as defined in the *Business Corporations Act* (Ontario), as amended from time to time;
- (b) "arm's length" has the meaning that it has for purposes of section 251(1) of the Tax Act (as hereinafter defined);
- (c) "Board of Directors" means the board of directors of the Corporation from time to time;
- (d) "Business Day" means any day other than a Saturday or a Sunday or a day which is a statutory holiday under the laws of Ontario or of Canada;
- (e) "Common Shares" means the Common Shares of the Corporation currently authorized, as well as any additional common voting shares in the capital of the Corporation which may be created;
- (f) "Control" or "Controlled by" means the beneficial ownership by that person at the relevant time of shares of that corporation carrying more than the greater of: (A) a majority of the voting rights ordinarily exercisable at meetings of shareholders of that corporation; and (B) the percentage of voting rights ordinarily exercisable at meetings of shareholders of that corporation that are sufficient to elect a majority of the directors;
- (g) "person" includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, or other organizations, whether or not legal entities;
- (h) "Place of Closing" means the offices of the solicitors for the purchaser, or such other place as may be agreed to by the parties;
- (i) "Prime Bank Rate" means the commercial lending rate of interest, expressed as an annual rate, which the bank where the Corporation has its accounts quotes in Ontario as the reference rate of interest (commonly known as "prime") for the purpose of determining the rate of interest that it charges to its commercial customers for loans in Canadian funds;
- (j) "Shareholder" means VANCOR, PICI and Garas;
- (k) "Shareholders" means every Shareholder;

- (l) "Shareholders' Advance" means any indebtedness of the Corporation to a Shareholder evidenced by one or more promissory notes made by the Corporation in favour of such Shareholder or any advance made by such Shareholder to the Corporation and any and all other amounts which might be owing by the Corporation to that Shareholder, save and except as specifically otherwise agreed in writing by each of the Shareholders.
 - (m) "Shares" means the Common Shares;
 - (n) "Tax Act" means the *Income Tax Act* (Canada) and the regulations thereunder, as each may be amended from time to time and including such applicable successor legislation or regulations, as the case may be;
 - (o) "Time of Closing" means 2:00 p.m. (EST) or such other time on the Date of Closing (as hereinafter defined) as may be agreed to by the vendor and the purchaser in the subject transaction; and
 - (p) "Transfer" means to sell, assign, surrender, gift, transfer, pledge, mortgage, charge, create a security interest in, hypothecate or otherwise encumber or deal with any shares or any interest, whether legal or beneficial, in the Common Shares.
- 1.2 All payments contemplated herein shall be paid in Canadian funds, in bank draft or wire transfer.
- 1.3 The division of this agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this agreement.
- 1.4 This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties agree that the courts of the Province of Ontario will have exclusive jurisdiction to determine all disputes and claims arising between the parties in connection with this Agreement.
- 1.5 All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun.
- 1.6 When calculating the period of time within which or following which any act is to be done or step taken pursuant to this agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is a non-business day, then period in question shall end on the next business day.

- 1.7 Any references herein to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference to any successor thereto.

ARTICLE 2

TERMINATION OF PRIOR AGREEMENTS

- 2.1 All agreements between some or all of the parties hereto regarding the organization and affairs of the Corporation and/or the sale of any Shareholder's shares of the Corporation under certain circumstances, whether written or oral, are hereby terminated.

ARTICLE 3

WARRANTIES AND COVENANTS

- 3.1 Each Shareholder warrants that:

- (a) they are the registered and beneficial owner of that number and class of the issued and outstanding shares of the Corporation set out opposite their name below:

Name	Number and Class of Shares
The Vancor Group Inc.	10 Common Shares
PICI Investments Incorporated	6 Common Shares
Garas Family Holdings Inc.	4 Common Shares

- (b) the shares set out opposite their name above are free and clear of all claims, liens and encumbrances whatsoever and no person, firm, corporation, partnership, trust or other entity has any agreement or option or right capable of becoming an agreement for the purchase of any such shares; and
- (c) it is not a non-resident of Canada within the meaning of the Tax Act.

- 3.2 The Corporation warrants that:

- (a) the authorized capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of Class "A" Shares and an unlimited number of Class "B" Shares;
- (b) the shares listed in Subsection 3.1(a) above, being 20 Common Shares, are the only issued and outstanding shares of the Corporation; and

- (c) no person has any agreement or option or right capable of becoming an agreement for the purchase, subscription or issuance of any of the unissued shares of the Corporation.

ARTICLE 4
PROVISIONS FOR CONTROL AND MANAGEMENT

4.1 The Shareholders shall cause such meetings of the Corporation to be held, votes cast, resolutions passed, by-laws enacted, documents executed and all things and acts done to ensure the following continuing arrangements with respect to the operation and control of the Corporation:

- (a) The affairs of the Corporation shall be managed by a Board of Directors which shall at all times consist of only two (2) directors, being Kenneth Schaller and Corry Van Iersel or the respective nominees of VANCOR and PICI.
- (b) Should any vacancy occur on the Board of Directors, such vacancy shall be filled forthwith by the appointment of a nominee by VANCOR and PICI who is not then represented by the nominee to which they are entitled hereunder. Until such vacancy is filled, the Board of Directors shall not transact any business or exercise any of its powers or functions, save and except as may be necessary to elect such new director and/or preserve the business and assets of the Corporation. Provided that if a replacement director is not elected as aforesaid within twenty-one (21) days of such vacancy occurring, thereafter the directors then in office shall be entitled to transact business and exercise all of the powers and functions of the Board of Directors.
- (c) The officers of the Corporation shall be:
 - (i) Kenneth Schaller – President
 - (ii) Corry Van Iersel – Vice President, Secretary and Treasurer

and such additional officers as the Board of Directors may determine from time to time. Notwithstanding the foregoing, if any above-named officer resigns his office, then the Board of Directors shall be entitled to appoint a replacement.

- (d) A quorum for a meeting of the Board of Directors shall be two directors.
- (e) A quorum for a meeting of the shareholders shall be three (3) shareholders, present or represented by proxy, holding shares of the Corporation enjoying voting rights at such meeting. In the event that a quorum is not obtained at any meeting, the meeting shall be adjourned and reconvened five (5) Business Days later, at the same time and in the same location, at which reconvened meeting the quorum shall be

the Shareholders present so long as there are at least two (2) Shareholders present.

- (f) All contracts and documents binding the Corporation shall require the signatures of those individuals determined by the Board of Directors from time to time.
- (g) The Corporation will not undertake any of the following without the prior unanimous consent of the Shareholders and each Shareholder may exercise their own discretion with respect to granting such consent:
 - (i) any change or amendment to the Articles of the Corporation;
 - (ii) the enactment, amendment or repeal of any bylaws of the Corporation;
 - (iii) any increase or decrease in the number of the minimum and maximum number of directors of the Corporation;
 - (iv) the issuance of any Shares or securities;
 - (v) the purchase or redemption of any Shares of the Corporation.
 - (vi) the declaration or payment of dividends on any of its Shares;
 - (vii) the repayment of any loan of the Corporation other than in accordance with its terms;
 - (viii) the sale or disposition of its undertaking as an entirety or substantially as an entirety;
 - (ix) the purchase, sale or lease by the Corporation of any real property;
 - (x) the lending of money by the Corporation;
 - (xi) the guarantee by the Corporation of the debts of any person in any amount;
 - (xii) the carrying on of any business other than the Business or any activity incidental thereto or the discontinuance of the Business;
 - (xiii) any material investment in any other corporation, or the entry into of any partnership with any other person;
 - (xiv) any material change in the business of the Corporation;
 - (xv) enter into any contracts, agreements or commitments out of the ordinary course of business;

- (xvi) any change in the fiscal year of the Corporation;
- (xvii) the institution of any proceedings for the winding-up, reorganization or dissolution of the Corporation;
- (xviii) the amalgamation or merger with or into any other corporation;
- (xix) any expenditure greater than or equal to Twenty-Five Thousand (\$25,000.00) Dollars;
- (xx) enter into any contracts, agreements or commitments with any insurance company;
- (xxi) hiring and dismissal of employees;
- (xxii) contract with Shareholders or their relatives;
- (xxiii) except as otherwise provided for herein, the fixing, paying or changing of any salary, bonus or fee of any director, officer of the Corporation or of either Schaller and Iersel;
- (xxiv) except as otherwise provided for herein, the approval of all salaries and service contracts;
- (xxv) borrowing of any money;
- (xxvi) commencement of legal proceedings;
- (xxvii) declaration of bonuses;
- (xxviii) any action or transaction not in the ordinary course of business of the Corporation; and
- (xxix) cause or permit a subsidiary to undertake any of the acts set out in paragraphs (a) to (xxviii) above.

ARTICLE 5

OPERATION AND FINANCING

- 5.1 Proper books of account shall be kept by the Corporation and entries shall be made therein of all matters, terms, transactions and things as are usually written and entered into books of account in accordance with generally accepted accounting principles and each of the Shareholders or their representatives shall have free access at all times to examine and copy them and shall at all times furnish to the others correct information, accounts and statements of and concerning all transactions pertaining to the Corporation without any concealment or suppression.

- 5.2 The Corporation shall maintain a bank account or bank accounts at such bank, banks, trust company or trust companies as the Board of Directors shall from time to time determine. All bank accounts shall be kept in the name of the Corporation and all cheques, bills, notes, drafts or other instruments shall require the signatures of such individuals as the Board of Directors may from time to time determine. All monies received from time to time for the account of the Corporation shall be paid immediately into such bank account or accounts for the time being in operation, in the same drafts, cheques, bills or cash in which they are received and all disbursements on account of the Corporation shall be made by cheque on such bank, banks, trust company or trust companies.
- 5.3 No Shareholder shall at any time, directly or indirectly, intentionally disrupt, disparage, impair or interfere with the Corporation or the business thereof, whether by way of intentionally disrupting its relationships with customers, agents, representatives or vendors, disparaging or diminishing the reputation of the Corporation or any of its Affiliates or otherwise.
- 5.4 If further funds are required for the purposes of the Corporation, such funds shall be obtained, to the greatest extent possible, by the Corporation borrowing from a chartered bank or other lender. The decision whether such funds are required, from whom such funds will be borrowed and the terms and conditions of such borrowing shall be determined by the Board of Directors from time to time. Each of the Shareholders covenants to use their reasonable best efforts to obtain such funds and covenants to execute and deliver all necessary documents, statements and assurances as may be required by such bank or other lender. The Shareholders further agree that they shall attempt to obtain such funds upon their several guarantees only.
- 5.5 If, notwithstanding compliance by the Shareholders with the provisions of Section 5.4 of this Agreement, the Corporation shall not have obtained all or part of the said funds from a bank or other lender, then, within ten (10) days after a demand in writing by the Board of Directors is received or deemed to have been received by such Shareholder, each Shareholder shall advance to the Corporation such portion of the said funds, or the part thereof that the Corporation shall not have obtained from a bank or other lender, as is proportionate to their beneficial common shareholdings in the Corporation. All advances made to the Corporation pursuant to this Section 5.5 shall be treated as Shareholders' Advances and shall be upon the security and at the rate of interest (which shall be the same for all Shareholders), if any, as shall be determined by the Board of Directors from time to time. None of those advances shall be called by the Shareholders or repaid to them, in whole or in part, except as is determined by the Board of Directors; provided that whenever any amounts on account of such advances are repaid to the Shareholders, they shall be repaid to them on a basis proportionate to their advances to the Corporation.
- 5.6 If a Shareholder (hereinafter in this Article sometimes called a "Guarantor") has guaranteed, with the consent of the other Shareholders, the obligations of the

Corporation to any bank or other lender and the Guarantor has made payment to such bank or other lender under such guarantee, then each of the other Shareholders (hereinafter in this Article sometimes called an "Indemnifier") shall pay to the Guarantor, forthwith upon demand, a proportionate amount of such payment equal to the proportion which the then beneficial common shareholdings of that Indemnifier bears to the then total common shareholdings of the Shareholders.

- 5.7 The defaulting Indemnifier shall pay to the Guarantor, daily, interest at the Prime Bank Rate plus five (5%) percentage points per annum, calculated and payable daily, not in advance, computed from the first day upon which such payment should have been made on the amount owing by them to the Guarantor. For the purposes hereof, the Prime Bank Rate shall be determined daily to apply with respect to the monies owing at the end of the next succeeding day. The amount payable by the defaulting Indemnifier hereunder together with interest thereon, calculated as aforesaid, shall be fully paid to the Guarantor before any bonus, withdrawal or other distribution from the Corporation is made to the defaulting Indemnifier and the Corporation is hereby authorized and directed to pay the amount of any such bonus, withdrawal or other distribution (to the extent of the amount owing by the defaulting Indemnifier to the Guarantor, as aforesaid) to the Guarantor in reduction of such amount.
- 5.8 If any Shareholder (in this Section called a "Defaulting Shareholder") does not make the full or any part of the advance or advances required to be made by them pursuant to the provisions of Section 5.5 of this Agreement, then the other Shareholders, if not so in default, are entitled to advance to the Corporation those amounts (in this Section called the "Excess Advance"). If more than one of the other Shareholders wishes to make the Excess Advance each of such Shareholders shall pay a portion of such Excess Advance equal to the proportion which their beneficial common shareholding in the Corporation bears to the total common shareholdings in the Corporation of all of the Shareholders who wish to do so. If only one of the Shareholders wishes to make the Excess Advance, such Shareholder shall be entitled to make the whole Excess Advance to the Corporation. In the event that an Excess Advance is made, the Excess Advance shall be deemed to be a loan or loans (in this Section called the "Loan(s)") to the Defaulting Shareholder by the Shareholder(s) that made that Excess Advance and to have been advanced to the Corporation on behalf of the Defaulting Shareholder(s). The Defaulting Shareholder shall pay to the Shareholder(s) that made the Excess Advance daily interest on so much of the Loan(s) as is outstanding from time to time, at the Prime Bank Rate plus five (5%) percentage points per annum, calculated and payable daily, not in advance, computed from the first day upon which the Excess Advance is made. For the purposes hereof the Prime Bank Rate shall be determined daily to apply with respect to the monies owing at the end of the next succeeding day. The Defaulting Shareholder hereby irrevocably directs the Corporation to make all payments of interest which would otherwise be payable to the Defaulting Shareholder, directly to the Shareholder(s) that made the Excess Advance, to be credited by the said

Shareholder(s) to the amount of interest payable by the Defaulting Shareholder to the said Shareholder(s). The Loan(s) shall be payable on demand. The Defaulting Shareholder shall be entitled to pay the whole or any part of the Loan(s) at any time or times and the Corporation is hereby irrevocably directed to pay any bonus, withdrawal or other distribution payable to the Defaulting Shareholder (to a maximum of the amount of the Loan(s) plus accrued interest), directly to the Shareholder(s) on account of the amount owing by the Defaulting Shareholder to the said Shareholder(s).

ARTICLE 6

RESTRICTIONS ON TRANSFER OF SHARES

- 6.1 The Shareholders covenant that they will not Transfer any of the Common Shares of the Corporation beneficially owned or Controlled by them, except in accordance with the terms of this agreement, or except with the prior written consent of the other Shareholders. Any attempted Transfer of Shares made in violation of this Agreement shall be null and void.
- 6.2 Notwithstanding the foregoing, Section 6.1 shall not in any way limit or prohibit the right of PICI or VANCORP, as the case may be, to Transfer any of the Common Shares held by PICI or VANCORP between each other without the consent of Garas (the "Permitted Transfers").
- 6.3 Garas shall not issue any additional shares or permit a Transfer of any of its shares if after the issuance or Transfer of such shares, or the conversion into voting shares of any convertible shares, as the case may be, Nashaat Garas, his spouse or children would no longer be in Control of Garas. Notwithstanding any of the foregoing this Section 6.3 shall not in any way limit or prohibit the right of Nashaat Garas to bequest the shares of Garas pursuant to his last will and testament.

ARTICLE 7

RIGHT OF FIRST REFUSAL

- 7.1 If any Shareholder (hereinafter referred to as the "Offeror") receives a bona fide written offer (the "Offer") from any person dealing at arm's length with the Offeror, to purchase all of the shares in the capital of the Corporation owned by him for cash payable in full on closing, which is acceptable to him, he shall, by notice in writing (the "Second Offer"), offer to sell such shares (the "Purchased Shares") to the other Shareholders (hereinafter referred to as the "Other Shareholders") at the same price and upon the same terms and conditions as are contained in the Offer. Such notice shall be accompanied by a true copy of the Offer and an affidavit of the Offeror attesting to the fact that there is no commission or other similar fee that may be or may become due and payable to any broker, agent or other intermediary in connection with the sale of the Purchased Shares pursuant to the Offer, if such is the case. The Second Offer shall not be revocable except with the consent of the Other Shareholders and shall be open for acceptance by

the Other Shareholders for a period of ten (10) days from the date upon which such notice was received or deemed to be received by the Other Shareholders. Notwithstanding anything to the contrary herein contained, the terms and conditions contained in the Second Offer shall be amended so that there shall be deducted from the purchase price for the Purchased Shares payable pursuant to the Offer the amount of any commission or other similar fee that would otherwise have been payable to any broker, agent or other intermediary in connection with the sale of the Purchased Shares pursuant to the Offer.

- 7.2 Upon the Second Offer being given, the Other Shareholders shall have the right to purchase all, but not less than all, of the Purchased Shares, rateably based on each of the Other's Shareholders proportionate share of Common Shares owned among all of the Other Shareholders as of the date of the Second Offer or to purchase in such other proportion as the Other Shareholders may agree in writing.
- 7.3 If the Second Offer is accepted by the Other Shareholders, then the Offeror (the "Vendor") shall sell and the Other Shareholders accepting the Second Offer (the "Purchaser") shall purchase the Purchased Shares upon the terms and conditions contained in the Second Offer. The closing of the transaction of purchase and sale pursuant to the Second Offer shall take place at the Place of Closing at the Time of Closing on the date (in this Article the "Date of Closing") which is fifteen (15) days after the date on which the Second Offer is accepted by the Other Shareholder to have accepted the Second Offer.
- 7.4 If, during the time limited therefor, the Other Shareholders shall not have accepted the Second Offer, then, subject to the provisions of ARTICLE 8 hereof, the Offeror shall be entitled to sell the Purchased Shares in accordance with the Offer. The Board of Directors before consenting to the transfer of the Purchased Shares shall be entitled to require proof that the sale took place in accordance with the Offer (except as to the date of closing which may be varied) and the directors of the Corporation shall refuse to permit the recording of the transfer of the Purchased Shares which may have been sold otherwise than in accordance with the provisions of this agreement.
- 7.5 If a sale of the Purchased Shares pursuant to the Offer is not completed within ninety (90) days from the giving of notice to the Other Shareholders as aforementioned, no sale of the Purchased Shares shall be made without the Offeror again complying with the terms of this Article.
- 7.6 Notwithstanding the foregoing, no disposition pursuant to the Offer shall be valid or effective until the acquiror of the shares in question shall have entered into an agreement with the other parties hereto consenting to the terms hereof and agreeing to assume all of the obligations of the Offeror as though such acquiror were the Offeror, in which event such acquiror shall be entitled to all of the rights and be subject to all obligations on the part of the Offeror herein mutatis mutandis. Notwithstanding such disposition, as between the Offeror and the

other parties hereto, the Offeror shall remain liable as principal debtor under all covenants contained herein and the Offeror agrees to unconditionally guarantee to the other parties hereto the due performance by the acquiror of all obligations imposed upon him hereunder. The liability of the Offeror is unconditional and may be enforced without requiring the other parties hereto first to proceed against the acquiror or to proceed against or exhaust any security held or to pursue any other remedy whatsoever. The Offeror hereby authorizes the other parties hereto to renew, compromise, extend, accelerate or otherwise change the time for payment or any term relating to the performance of any such obligations and hereby waives presentment, protest, notice of protest, notice of dishonour, demand for performance and notice of acceptance of this guarantee by the other parties hereto.

7.7 Notwithstanding the foregoing, ARTICLE 7 shall not apply to Permitted Transfers.

ARTICLE 8

TAG ALONG/BRING ALONG RIGHTS

8.1 In the event that an Offeror proposes to sell the Purchased Shares to a third party pursuant to Article 7 (hereinafter referred to as the "Third Party"), the Offeror shall, within fifteen (15) days following the expiry of the ten (10) day period referred to in Section 7.1, provided that no Shareholder elected to exercise the right provided for therein, give written notice (the "Tag Along Notice") of the identity of the Third Party and the price and other material terms of the transaction to the Other Shareholders (a "Declining Other Shareholder") that elected not to exercise its rights to purchase such Purchased Shares and to all of the Shareholders. The Declining Other Shareholder and the Shareholders may, not later than Five (5) days after receipt of the Tag Along Notice, deliver to the Offeror a notice in writing invoking the provisions of this Section 8.1 (a "Tag Along Demand"). The delivery by the Declining Other Shareholder of a Tag Along Demand shall be irrevocable and shall bind the Declining Other Shareholder provided such demand to sell all but not less than all of the Common Shares (the "Tag Along Shares") owned by the Declining Other Shareholder is in accordance with the provisions of this Article 8.

8.2 If the Declining Other Shareholder delivers a Tag Along Demand, then, before completing any sale, the Offeror shall cause the Third Party to deliver to the Declining Other Shareholder a bona fide offer in writing (the "Tag Along Offer") to purchase from such Declining Other Shareholder all of the Common Shares owned by the Declining Other Shareholder (the "Tag Along Shares"). The Tag Along Offer will be binding upon the Third Party and shall contain only such terms and conditions as are identical to those upon which the Offeror proposes to sell to the Third Party the Purchased Shares pursuant to Section 7.1, provided that the offer price per Tag Along Share, which shall be specified in the Tag Along Offer, shall be the same consideration as, or the cash equivalent of, the consideration per Purchased Share at which the Offeror proposes to sell to the Third Party the Purchased Shares pursuant to Section 7.1. The closing date and

other closing arrangements for the purchase and sale transaction between the Declining Other Shareholder and the Third Party shall be specified in the Tag Along Offer and shall be the same, mutatis mutandis, as those specified between the Third Party and the Offeror.

- 8.3 In the event that a Declining Other Shareholder has not delivered a Tag Along Notice within the time limits set out in Section 8.1, then the Offeror may, not later than ten (10) days after the receipt of the Tag Along Notice, deliver to the Declining Other Shareholder notice in writing invoking the provisions of this Section 8.3 (a "Bring Along Demand"). The delivery a Bring Along Demand shall be irrevocable and shall bind the Declining Other Shareholder to sell all but not less than all of the Shares (the "Bring Along Shares") owned by the Declining Other Shareholder, in accordance with the provisions of this Article 8.
- 8.4 If a Bring Along Demand is given to a Declining Other Shareholder then, before completing any sale, the Offeror shall cause the Third Party to deliver to the Declining Other Shareholder a bona fide offer in writing (the "Bring Along Offer") to purchase from such Declining Other Shareholder the Bring Along Shares. The Bring Along Offer will be binding upon the Third Party and shall contain only such terms and conditions as are identical to those upon which the Offeror proposes to sell to the Third Party the Purchased Shares pursuant to Section 7.1, provided that the offer price per Bring Along Share, which shall be specified in the Bring Along Offer, shall be the same consideration as, or the cash equivalent of, the consideration per Purchased Share at which the Offeror proposes to sell to the Third Party the Purchased Shares pursuant to Section 7.1. The closing date and other closing arrangements for the purchase and sale transaction between the Declining Other Shareholder and the Third Party shall be specified in the Bring Along Offer and shall be the same, mutatis mutandis, as those specified between the Third Party and the Offeror.
- 8.5 Notwithstanding the foregoing, ARTICLE 8 shall not apply to Permitted Transfers.

ARTICLE 9
[INTENTIONALLY DELETED]

- 9.1 *[Intentionally Deleted]*

ARTICLE 10
GENERAL SALE PROVISIONS

- 10.1 Except as may otherwise be provided in this Agreement, the provisions of this Article shall apply to any sale of shares of the Corporation pursuant to the provisions of Article 7 and Article 8 hereof mutatis mutandis.
- 10.2 For the purpose of this Article, the terms "Vendor", "Purchaser", "Date of Closing" and "Purchased Shares" shall have the meanings attributed thereto in Article 7 and Article 8 hereof, as the case may be.

10.3 At the Time of Closing, the Vendor shall:

- (a) deliver to the Corporation signed resignations of the Vendor and their nominees, if any, as directors, officers and employees of the Corporation, as the case may be;
- (b) assign and transfer to the Purchaser the Purchased Shares and shall deliver the required share certificate(s) duly endorsed for transfer into the Purchaser's name;
- (c) do all other things required in order to deliver good and marketable title to the Purchased Shares to the Purchaser free and clear of any claims, liens and encumbrances whatsoever including, without limitation, the delivery of any governmental releases and declarations of transmission. Provided that, if at the Time of Closing the Purchased Shares are not free and clear of all claims, liens and encumbrances whatsoever, the Purchaser may, without prejudice to any other rights which such Shareholder may have, purchase the Purchased Shares subject to such claims, liens and encumbrances. In that event, the Purchaser shall, at the Time of Closing, assume all obligations and liabilities with respect to such claims, liens and encumbrances and the purchase price payable by the Purchaser for the Purchased Shares shall be satisfied, in whole or in part, as the case may be, by such assumption. The amount so assumed shall reduce the purchase price payable at the Time of Closing;
- (d) deliver to the Corporation a release by each of the Vendor and their nominees, if any, all of their claims against the Corporation with respect to any matter or thing up to and including the Time of Closing in their capacity as a director, officer, shareholder, employee or creditor of the Corporation, as the case may be, except for any claims which might arise out of the transactions of purchase and sale herein contemplated;
- (e) either provide the Purchaser with evidence reasonably satisfactory to the Purchaser that the Vendor is not then a "non-resident" of Canada within the meaning of the *Income Tax Act* (Canada) or provide the Purchaser with a certificate pursuant to Subsection 116(2) of the *Income Tax Act* (Canada) with a certificate limit in an amount not less than the purchase price for the Purchased Shares; provided that if such evidence or certificate is not forthcoming, the Purchaser shall be entitled to make the payment of tax required under Article 116 of the *Income Tax Act* (Canada) and to deduct such payment from the purchase price for the Purchased Shares; and
- (f) deliver to the remaining Shareholders a release by the Vendor in their capacity as a director, officer and shareholder of the Corporation of all of their claims against each remaining Shareholder and their nominees,

if any, in their capacity as a shareholder, director or officer of the Corporation, except for any claims which might arise out of the transaction of purchase and sale herein contemplated.

- 10.4 If, at the Time of Closing, the Vendor, or any person for or on behalf of the Vendor, shall have any guarantees, securities or covenants lodged with any person, then the remaining Shareholders shall use their reasonable best efforts to deliver up or cause to be delivered up to the Vendor or cancel or cause to be cancelled such guarantees, securities and/or covenants at the Time of Closing. If, notwithstanding such reasonable best efforts, the delivery up or cancellation of any such guarantee, security or covenant is not obtained, the remaining Shareholders shall deliver to the Vendor and/or the person which shall have provided such guarantee, security or covenant, an indemnity in writing, in form reasonably satisfactory to counsel for the Vendor, indemnifying them against any and all claims, demands, costs, expenses, damages, liabilities and suits which may be or which shall have been paid, suffered or incurred by them with respect to the said guarantee, security or covenant.
- 10.5 At the Time of Closing, each of the remaining Shareholders shall:
- (a) deliver to each of the Vendor and their nominee, if any, a release by them, in their capacity as a director, officer and shareholder of the Corporation, of all their claims against the Vendor and their nominees in their capacity as a shareholder, director or officer of the Corporation, except for any claims which may arise out of the transactions of purchase and sale herein contemplated; and
 - (b) cause the corporation to deliver to each of the Vendor and their nominees a release by the Corporation of all its claims against each of the Vendor and their nominees with respect to any matter or thing arising as a result of the Vendor or their nominees being a shareholder, director or officer of the Corporation, as the case may be, except for any claims which might arise out of the transactions of purchase and sale herein contemplated.
- 10.6 If, at the Time of Closing, the Corporation is indebted to the Vendor in an amount recorded on the books of the Corporation and verified by the accountants of the Corporation, the Corporation shall repay such amount to the Vendor at the Time of closing.
- 10.7 If, at the Time of Closing, the Vendor is indebted to the Corporation in an amount recorded on the books of the Corporation and verified by the accountants of the Corporation, the Vendor shall repay such amount to the Corporation at the Time of Closing.
- 10.8 If, at the Time of Closing, the Vendor fails to complete the subject transaction of purchase and sale, the Purchaser shall have the right, if not in default under this

Agreement, without prejudice to any other rights which such Shareholder may have, upon payment of the purchase price payable to the Vendor at the Time of Closing to the credit of the Vendor in the main branch of the Corporation's bankers, to execute and deliver, on behalf of and in the name of the Vendor, such deeds, transfers, share certificates, resignations or other documents that may be necessary to complete the subject transaction and the Vendor hereby irrevocably appoints the Purchaser their attorney in that behalf in accordance with the *Powers of Attorney Act*, R.S.O. 1990, c.P20, or the *Substitute Decisions Act*, 1992, and in accordance with the said Act, the Vendor declares that this power of attorney may be exercised during any subsequent legal incapacity on their part.

- 10.9 If the provisions of any of Article 7 or Article 8 hereof become applicable, then from such date until the Time of Closing (as defined in the particular Article) the Shareholders shall not do, nor cause, nor permit to be done anything except that which is in the ordinary course of business of the Corporation.
- 10.10 For greater certainty, the parties hereto acknowledge and agree that the Purchasers in any transaction of purchase and sale contemplated in this Agreement are not jointly liable for the payment of the purchase price for the Purchased Shares and any indebtedness purchased hereunder, but are only liable for their proportionate share thereof.

ARTICLE 11 **[INTENTIONALLY DELETED]**

- 11.1 *[Intentionally Deleted]*

ARTICLE 12 **CONFIDENTIALITY**

- 12.1 During the term of this Agreement the Shareholders will have access to confidential proprietary information relating to the Corporation's business and affairs including, without limitation, information and data relating to former, existing and potential clients, in such forms as client lists, economic information, business plans, and marketing strategies (hereinafter, "Confidential Information") the disclosure of which would be highly detrimental to the best interests of the Corporation. Each of the Shareholders acknowledges and agrees that the right to maintain confidential such Confidential Information constitutes a proprietary right which the Corporation is entitled to protect. Accordingly, each of the Shareholders covenants and agrees with and for the benefit of the Corporation that they shall not, without the prior written consent of the Corporation:

- (a) either during the term of this Agreement or at any time thereafter use or disclose to any person any such Confidential Information concerning the business or affairs of the Corporation including, without limiting the generality of the foregoing, the names and any other particulars relating to any former, current or prospective clients of the Corporation;
- 12.2 Each Shareholder understands and agrees that the restrictions and covenants contained in this ARTICLE 12 constitute a material inducement to the other Shareholders to enter into this Agreement and that the other Shareholders would not enter into this Agreement absent such inducement. The Shareholders hereto agree that the restrictions and covenants contained in this ARTICLE 12 shall be construed independent of any other provision of this Agreement, and the existence of any claim or cause of action by a Shareholder hereto against the Corporation or any other Shareholder, whether predicated under this Agreement or otherwise, shall not constitute a defense to the enforcement by the Corporation or any other Shareholder of the said restrictions and covenants contained in this ARTICLE 12. Further, any clause or provisions of this ARTICLE 12 that may be found unenforceable shall be considered to be severable from the rest of this ARTICLE 12, which remaining portions shall continue in full force and effect in accordance with the terms of this ARTICLE 12 and this Agreement.
- 12.3 The Shareholders acknowledge, agree and understand that in addition to any of the Corporation's and the other Shareholder's remedies at law, and without prejudice to any and all remedies available to the Corporation or the other Shareholders, an injunction is the only effective remedy for any breach of a Shareholder's covenants under this Article and that the Corporation and the other Shareholders would suffer irreparable harm and injury in the event of any such breach. Accordingly, the Shareholders hereto hereby agree that the Corporation or any other party hereto may apply for and have injunctive relief, including an interim or interlocutory injunction, in any court of competent jurisdiction, to enforce any of the provisions in this ARTICLE 12 upon the breach or threatened breach thereof. The parties hereto further agree that the Corporation or any other party hereto may apply for and are entitled to said injunctive relief without having to prove damages, and are entitled to all costs and expenses, including legal costs.

ARTICLE 13

GENERAL CONTRACT PROVISIONS

- 13.1 This Agreement shall terminate upon the earlier of:
 - (a) the written agreement of all of the Shareholders;
 - (b) the dissolution or bankruptcy of the Corporation or the making by the Corporation of an assignment under the provisions of the *Bankruptcy and Insolvency Act* (Canada); or

(c) one Person Controlling all of the Common Shares;

except that the provisions of ARTICLE 12 shall continue in the event of a termination under subsection 13.1(a) and 13.1(c).

13.2 Any notice of uncertificated shares of the Corporation shall have the following legend endorsed thereon forthwith after the execution of this Agreement:

"The shares represented by this certificate are subject to a Shareholders Agreement dated the ____ day of November, 2021 made among The Vancor Group Inc., PICI Investments Incorporated, Garas Family Holdings Inc. and 2767888 Ontario Inc."

13.3 All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery, by registered mail or transmitted by email, to such party at the municipal address and/or email address as follows:

(a) to VANCOR at: 960 King Street East, Suite 7
Cambridge, ON N3H 3P3

Attn: Corry Van Iersel
E-mail: corry@tncc.ca

(b) to PICI at: 960 King Street East, Suite 7
Cambridge, ON N3H 3P3

Attn: Kenneth Schaller
E-mail: construction@tncc.ca

(c) to Garas at: Waterous Holden Amey Hitchon LLP
20 Wellington Street, Brantford, ON N3T 5V6

Attn: Steven P. Portelli
E-mail: sportelli@waterousholden.com

(a) to the Corporation at: 960 King Street East, Suite 7
Cambridge, ON N3H 3P3

Attn: Corry Van Iersel
E-mail: corry@tncc.ca

or at such other address as may be given by any of them to the others in writing from time to time. Any notice personally delivered to the party to whom it is addressed as provided in this Section 13.3 shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day then the notice shall be deemed to have been given and received on the Business Day next following such day. Any notice mailed to the address and in the manner provided for in this Section shall be deemed to have been given and received on the third Business Day next following the date of its mailing. Any notice transmitted by email shall be deemed given and received on the first Business Day after its transmission.


- 13.4 The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.
- 13.5 Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.
- 13.6 This Agreement constitutes the entire Agreement between the parties hereto with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties hereto rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof.
- 13.7 No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by all of the parties to this Agreement. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give such waiver and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.
- 13.8 If a conflict arises between the Corporation's articles, by-laws or resolutions and the provisions of this Agreement, the provisions of this Agreement will govern and supersede the provisions of such articles, by-laws and resolutions and such articles and by laws shall be amended, and the necessary resolutions passed so as to ensure conformity with the terms of this Agreement.
- 13.9 If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part of such provision and the remaining part of such provision and all other provisions of this Agreement shall continue in full force and effect

- 13.10 Except as may be expressly provided in this Agreement, none of the parties to this Agreement may assign its rights or obligations under this Agreement without first obtaining unanimous written approval of the Shareholders.
- 13.11 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, permitted assigns and legal representatives.
- 13.12 This Agreement may be executed in counterparts and may be executed and delivered by facsimile, PDF or other form of electronically reproduced document, and each such electronically reproduced document shall constitute an original and all of which taken together shall constitute one and the same instrument.
- 13.13 Each party hereto acknowledges Torkin Manes LLP, Barristers and Solicitors, Suite 1500, 151 Yonge Street, Toronto, Ontario, M5C 2W7, acts only for the Corporation in the preparation of this Agreement. Each party hereto further acknowledges that Torkin Manes LLP has advised such party that it has a conflicting interest with respect to the finalization of this Agreement, and accordingly has recommended to each party hereto (other than the Corporation) that it obtain independent legal advice concerning the advisability of entering into this Agreement before executing it.

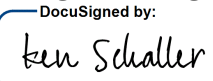
[Intentionally left blank]

IN WITNESS WHEREOF the parties have duly executed this agreement this 5th day of November, 2021.

THE VANCOR GROUP INC.

DocuSigned by:
Per: 
233E6FAC03134C7...
Name: Corry Van Iersel
Title: President
I have the authority to bind the corporation

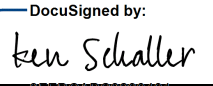
PICI INVESTMENTS INCORPORATED

DocuSigned by:
Per: 
3FFDCABC3290401...
Name: Kenneth Schaller
Title: President
I have the authority to bind the corporation

GARAS FAMILY HOLDINGS INC.

Per: _____
Name: Nashaat Garas
Title: President
I have the authority to bind the corporation

2767888 ONTARIO INC.

DocuSigned by:
Per: 
3FFDCABC3290401...
Name: Kenneth Schaller
Title: President
I have the authority to bind the corporation

- 21 -

IN WITNESS WHEREOF the parties have duly executed this agreement this ____ day of November, 2021.

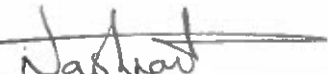
THE VANCOR GROUP INC.

Per: _____
Name: Corry Van Iersel
Title: President
I have the authority to bind the corporation

PICI INVESTMENTS INCORPORATED

Per: _____
Name: Kenneth Schaller
Title: President
I have the authority to bind the corporation

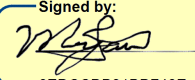
GARAS FAMILY HOLDINGS INC.

Per: 
Name: Nashaat Garas
Title: President
I have the authority to bind the corporation

2767888 ONTARIO INC.

Per: _____
Name: Kenneth Schaller
Title: President
I have the authority to bind the corporation

This is Exhibit “I” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

<u>Location</u>	<u>Landlord</u>	<u>Tenant</u>	<u>Lease Term Expiry Date</u>	<u>Renewal Option/Terms</u>	<u>Mortgage (Y/N)</u>	<u>Mortgage Current (Y/N)</u>	<u>Mortgagee</u>
3-11 Erie St. S., Leamington ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
4 Courthouse Square, Gooderich, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
7 Market Square, Napanee, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
16 Steel St., Welland, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
18 Circle St., Kapuskasing, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	December 31, 2028	Tenant option to renew for additional 5 years	N	N/A	N/A
20 Bridge St., Belleville, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
22 Robinson St., Simcoe, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
30 Main St. E., Huntsville, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.

- 2 -

32 Seguin Street, Parry Sound, ON	Metal Tree Inc.	2744364 Ontario Inc.	April 30, 2027	Tenant option to renew for additional 5 years	Y	Y	Metal Tree Inc.
51 Front St. W., Strathroy, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
51 Main St., Cambridge, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Bank of Montreal
52 Bridge St. E., Campbellford, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	M. Higgins & Associates Inc.
82 Division St., Quinte West/Trenton, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
85 King St. W., Chatham, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
92 Pelham St., St. Catharines, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
115 Talbot St. W., Aylmer, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	N	N/A	N/A

125 Muskoka Rd. S., Gravenhurst, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y – Two Charges	1) Firm Capital (Y) 2) Muskoka Real Estate Services Inc. (N)	Firm Capital Mortgage Fund Inc.
153 West St., Brantford, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
201 Jarvis St., Fort Erie, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
Unit 1 – 212 King Street, Midland	2767888 Ontario Inc.	2744364 Ontario Inc.	June 30, 2027	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
214 Third Ave., Timmins, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
324 Whitewood Ave. West (rear unit), New Liskeard, ON.	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2027	Tenant option to renew for additional 5 years	N	N/A	N/A
326 Ottawa St. North, Hamilton, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.

349 King St., Port Colborne, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Nashaat Garas, Garas Family Holdings Inc., Manal Garas Pharmacy Professional Corporation
372 Riverside Dr., Sudbury, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
496 Main St., North Bay, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
513 11 th Ave., Hanover, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
670 Riverside Dr., Timmins, ON.	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
673 Ontario St., Stratford, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Venizelos Anastasiadis
740/750 James St., Wallaceburg, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
780 Wallace Ave. N., Listowel, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.

- 5 -


892-893 Queen St., Sault St. Marie, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
978 3 rd Ave. E., Owen Sound, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
1262.5 Wellington St. W., Ottawa, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	818876 Ontario Ltd.
1368 Ottawa St., Windsor, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Nashaat Garas, Garas Family Holdings Inc., Manal Garas Pharmacy Professional Corporation
129 Mitton St. S., Sarnia, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Nashaat Garas, Garas Family Holdings Inc., Manal Garas Pharmacy Professional Corporation
2107 Parkdale Ave., Brockville, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y – Two Charges	1) Nashaat Garas, Garas Family Holdings Inc., Manal Garas Pharmacy	Nashaat Garas, Garas Family Holdings Inc., Manal Garas Pharmacy

						Professional Corporation (Y) 2) Firm Capital (Y)	Professional Corporation
4695 Queen St., Niagara Falls, ON	2767888 Ontario Inc.	2744364 Ontario Inc.	August 31, 2026	Tenant option to renew for additional 5 years	Y	Y	Firm Capital Mortgage Fund Inc.
4396 King Street East, Kitchener, ON	Sportsworld Shopping Centre Inc.	2744364 Ontario Inc.	March 31, 2028	Tenant option to renew for additional 5 years. Must advise not less than 6 months prior to expiration of original term.	N	N/A	N/A
352 Queen Street East, Unit 4, Acton, ON	Tandia Financial Credit Union Ltd.	2744364 Ontario Inc.	November 14, 2027	Tenant option to renew for additional two more terms of 5 years. Must advise not less than 6 months prior to expiration of original term.	N	N/A	N/A
1076 Cedar Street, Unit 3, Oshawa, ON	2375144 Ontario Corporation	2744364 Ontario Inc.	June 30, 2027	Tenant option to renew for additional 5 years	Y	Y	Royal Bank of Canada

- 7 -

715 Wellington Street West, Guelph, ON	879011 Ontario Limited	2744364 Ontario Inc.	April 30, 2028	Tenant option to renew for additional 5 years	Y	Y	CIBC Mortgages Inc.
110 Broadway Street, Tillsonburg, ON	726494 Ontario Inc.	2744364 Ontario Inc.	November 30, 2025	Tenant option to renew for four additional terms of 5 year terms	N	N/A	N/A
31 Ontario Street, Units 2 & 3, Grand Bend, ON	Thomas Schmidt	2744364 Ontario Inc.	February 28, 2025	Tenant option to renew for three additional terms of 5 year terms	N	N/A	N/A
43 Main Street, Brighton, ON	Torbill Holdings Ltd.	2744364 Ontario Inc.	October 31, 2027	Tenant option to renew for two additional terms of 5 years by giving six months notice	N	N/A	N/A
170 McNaughton Avenue West Unit 9, Chatham, ON	1815513 Ontario Inc.	2744364 Ontario Inc. Personally Guaranteed by Van Iersel	April 30, 2025	Tenant option to renew for additional 3 year term	Y	Y	Bank of Montreal
951 Gordon Street, Unit 8B, Guelph, ON	Marvin Hertzman Holdings Inc.	2744364 Ontario Inc.	June 30, 2028	Tenant option to renew for additional term of 5 years by giving six months notice	Y	Y	The Toronto-Dominion Bank

This is Exhibit “J” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


6EDCCBB31BB748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

2744364 Ontario Limited oa True North Cannabis Co.

Balance Sheet

As of November 30, 2024

	TOTAL
Assets	
Current Assets	
Cash and Cash Equivalent	
1000 Cash	1,020,257.96
Total Cash and Cash Equivalent	\$1,020,257.96
Accounts Receivable (A/R)	
1200 Accounts Receivable	
1201 Accounts Receivables	389,172.99
Total 1200 Accounts Receivable	389,172.99
Total Accounts Receivable (A/R)	\$389,172.99
1020 Employee Advances	0.00
1300 Prepaid Expenses	0.00
1305 Prepaid Expense	0.00
1315 Prepaid Insurance	33,018.00
1325 Prepaid Rent	92,925.68
1335 Prepaids Other	8,788.70
Total 1300 Prepaid Expenses	134,732.38
1400 Inventory Asset	
1401 Inventory - Cannabis	3,641,165.00
1402 Inventory - Accessories	1,176,413.70
1403 Inventory - Apparel	89,751.00
Total 1400 Inventory Asset	4,907,329.70
1700 Loans to Others	0.00
1710 Due from Alena Hapanovich	1,000,000.00
1900 Suspense Account	0.00
Total Current Assets	\$7,451,493.03
Non-current Assets	
Property, plant and equipment	
1600 Property, Plant & Equipment	6,366,495.45
Total Property, plant and equipment	\$6,366,495.45
1705 Venizelos Anastasiadis	2,000,000.00
Total Non Current Assets	\$8,366,495.45
Total Assets	\$15,817,988.48

2744364 Ontario Limited oa True North Cannabis Co.

Balance Sheet

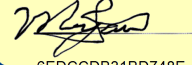
As of November 30, 2024

	TOTAL
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
2000 Accounts Payable	134,871.66
Total Accounts Payable (A/P)	\$134,871.66
2025 Accrued Charges	3,013,724.42
2030 Gift Cards	20,600.08
2035 Accounts Payable OCS	0.00
2200 Accrued Liabilites	5,368.55
2202 Payroll-WSIB	10,607.84
2212 Payroll - Vacation Owing	93,172.31
Total 2200 Accrued Liabilites	109,148.70
2314 HST Payable	111,130.95
2400 Due to Related Parties	0.00
2405 Intercompany Account - Bamboo Blaze	1,334,776.34
2406 Intercompany Account Construction	0.00
2410 Intercompany Account - Real Estate	-10,509.28
Total 2400 Due to Related Parties	1,324,267.06
Total Current Liabilities	\$4,713,742.87
Non-current Liabilities	
2705 VTB - Venizelos Anastasiadis	950,000.00
2710 Long term Debt	2,000,000.00
2800 Due to Shareholders	
2805 Shareholder C. Vanlersel	17,637,770.02
2810 Shareholder A. Hapanovich	-5.00
Total 2800 Due to Shareholders	17,637,765.02
Total Non-current Liabilities	\$20,587,765.02
Total Liabilities	\$25,301,507.89
Equity	\$ -9,483,519.41
Total Liabilities and Equity	\$15,817,988.48

Notes:

Intercompany Account - Bamboo Blaze had a payment of \$339,000 in January 2025 bring its balance to \$995,776.34

This is Exhibit “K” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

2668905 Ontario Inc. oa Bamboo Blaze

Balance Sheet

As of January 19, 2025

	TOTAL
Assets	
Current Assets	
Cash and Cash Equivalent	
1001 Operating Bank Account	51.04
Total Cash and Cash Equivalent	\$51.04
Accounts Receivable (A/R)	\$1,164,287.39
1400 Inventory Asset	1,563,035.30
Inventory	0.00
Total Current Assets	\$2,727,373.73
Total Assets	\$2,727,373.73
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
2100 Accounts Payable	0.00
Total Accounts Payable (A/P)	\$0.00
2310 HST Payable	342,622.62
2319 Accrued Charges	0.00
2717 Intercompany Account Construction	0.00
GST/HST Payable - RG_GST_HST	0.00
PST Payable (BC)	0.00
Total Current Liabilities	\$342,622.62
Non-current Liabilities	
2718 Due to 100037579 Ontario Inc.	412,349.17
2800 Due to Shareholders	
2801 Shareholder C. Vanlersel	2,855,083.58
Total 2800 Due to Shareholders	2,855,083.58
Due from 10003 Ontario	0.00
Total Non-current Liabilities	\$3,267,432.75
Total Liabilities	\$3,610,055.37
Equity	\$ -882,681.64
Total Liabilities and Equity	\$2,727,373.73

This is Exhibit “L” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

2767888 Ontario Inc (RE)

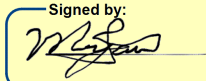
Balance Sheet

As of December 31, 2024

	TOTAL
Assets	
Current Assets	
Cash and Cash Equivalent	\$ -245,357.06
Accounts Receivable (A/R)	
1210 Accounts Receivable	362,838.51
Total Accounts Receivable (A/R)	\$362,838.51
1500 Prepaid Expense	2,734.52
1601 Security Deposit on Utilities	1,572.00
1602 deposit on property Acquisition	0.00
1715 Intercompany Account - TNCC	0.00
1717 Intercompany Account Construction	0.00
Total Current Assets	\$121,787.97
Non-current Assets	
Property, plant and equipment	\$19,087,036.44
Total Non Current Assets	\$19,087,036.44
Total Assets	\$19,208,824.41
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
2100 Accounts Payable	64,277.34
Total Accounts Payable (A/P)	\$64,277.34
1190 Suspense Account	0.00
2200 Accrued Liabilites	0.00
2311 Management & Admin Fee	175,000.00
2319 Accrued Charges	1,069,320.32
2320 HST Liability	-16,057.18
2350 Corporate Tax Payable	0.00
2400 Current Portion Mortgages	0.00
2716 Intercompany TNCC	10,509.28
2718 Due from VMI	0.00
Total Current Liabilities	\$1,303,049.76
Non-current Liabilities	
2500 Long-term Portion Mortgages	5,601,126.65
2502 Firm Capital Line of Credit	7,570,000.00
2600 LMR	0.00
2801 Shareholde Account VGI	4,947,143.22
2802 Shareholder Account PICI	1,432,359.75
Total Non-current Liabilities	\$19,550,629.62
Total Liabilities	\$20,853,679.38
Equity	\$ -1,644,854.97
Total Liabilities and Equity	\$19,208,824.41

This is Exhibit “M” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:



6EDCGDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

<u>Lender</u>	<u>Borrower/Guarantor</u>	<u>Outstanding Principal</u>	<u>Security</u>	<u>Maturity Date</u>
Venizelos Anastasiadis	2744364 Ontario Limited (o/a True North Cannabis Co.)	\$950,000.00	None in respect of TNCC.	N/A
	2767888 Ontario Inc.	\$500,000.00	Mortgage - 673 Ontario St., Stratford, ON	February 1, 2033
Royal Bank of Canada	2744364 Ontario Limited (o/a True North Cannabis Co.)	Nil	Registration on 2021 Chevrolet Silverado VIN: 1GC4YUEY4MF137915	Repaid in full.
Bank of Montreal	2767888 Ontario Inc.	\$1,347,500.00	Mortgage - 51 Main St., Cambridge, ON	On Demand
	2767888 Ontario Inc.	\$1,189,886.77	General Security Agreement and General Assignment of Rents over 51-53 Main Street, Cambridge, Ontario	November 20, 2025
Seavale Incorporated	2767888 Ontario Inc.	\$452,989.88	General Security Agreement over 1720 Algonquin Avenue, North Bay, Ontario	February 1, 2026
Firm Capital Mortgage Fund Inc.	2767888 Ontario Inc.	\$10,000,000.00	Mortgage - 3-11 Erie St. S., Leamington ON	May 1, 2025
	PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel			
	2767888 Ontario Inc.	\$10,000,000.00	Mortgage - 4 Courthouse Square, Gooderich, ON	May 1, 2025
	PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel			
	2767888 Ontario Inc.	\$10,000,000.00	Mortgage - 7 Market Square, Napanee, ON	May 1, 2025

	PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel			
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 16 Steel St., Welland, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 20 Bridge St., Belleville, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 22 Robinson St., Simcoe, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 30 Main St. E., Huntsville, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 51 Front St. W., Strathroy, ON	May 1, 2025
	2767888 Ontario Inc.	\$10,000,000.00	Mortgage - 82 Division St., Quinte West/Trenton, ON	May 1, 2025

	PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel			
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 85 King St. W., Chatham, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 92 Pelham St., St. Catharines, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 125 Muskoka Rd. S., Gravenhurst, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 153 West St., Brantford, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 201 Jarvis St., Fort Erie, ON	May 1, 2025
	2767888 Ontario Inc.	\$10,000,000.00	Mortgage - Unit 1 – 212 King Street, Midland	May 1, 2025

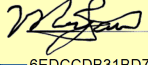
	PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel			
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 214 Third Ave., Timmins, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 326 Ottawa St. North, Hamilton, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 372 Riverside Dr., Sudbury, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 496 Main St., North Bay, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 513 11 th Ave., Hanover, ON	May 1, 2025
	2767888 Ontario Inc.	\$10,000,000.00	Mortgage - 740/750 James St., Wallaceburg, ON	May 1, 2025

	PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel			
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 780 Wallace Ave. N., Listowel, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 892-893 Queen St., Sault St. Marie, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 978 3 rd Ave. E., Owen Sound, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 2107 Parkdale Ave., Brockville, ON	May 1, 2025
	2767888 Ontario Inc. PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel	\$10,000,000.00	Mortgage - 4695 Queen St., Niagara Falls, ON	May 1, 2025
	2767888 Ontario Inc.	\$10,000,000.00	Mortgage - 670 Riverside Dr., Timmins, ON.	May 1, 2025

	PICI Investments Inc; Vancor Corporation; Schaller; and Van Iersel			
	2767888 Ontario Inc.	\$7,556,000.00	General Security Agreement, Share Pledge Agreement, and Assignment of Rents re Commitment Letter dated March 16, 2022	March 16, 2025
	2744364 Ontario Limited (o/a True North Cannabis Co.)	\$7,556,000.00	General Security Agreement over all present and after acquired property (pursuant to TNCC's guarantee of 888 borrowing from Firm Capital)	March 16, 2025
M. Higgins & Associates Inc.	2767888 Ontario Inc.	\$360,000.00	Mortgage - 52 Bridge St. E., Campbellford, ON	April 1, 2026
818876 Ontario Ltd.	2767888 Ontario Inc.	\$374,500.00	Mortgage - 1262.5 Wellington St. W., Ottawa, ON	March 31, 2026
Nashaat Garas, Garas Family Holdings Inc., Manal Garas Pharmacy Professional Corporation	2767888 Ontario Inc. Schaller and Van Iersel	\$2,500,000.00	Mortgage - 349 King St., Port Colborne, ON	November 5, 2022
	2767888 Ontario Inc. Schaller and Van Iersel	\$2,500,000.00	Mortgage - 1368 Ottawa St., Windsor, ON	November 5, 2022
	2767888 Ontario Inc. Schaller and Van Iersel	\$2,500,000.00	Mortgage - 2107 Parkdale Ave., Brockville, ON	November 5, 2022
	2767888 Ontario Inc. Schaller and Van Iersel	\$2,500,000.00	Mortgage – 129 Mitton St. S., Sarnia, ON	November 5, 2022

Metal Tree Inc.	2767888 Ontario Inc. Schaller and Van Iersel	\$723,750.00	Mortgage – 34 Seguin St, Parry Sound, ON	August 1, 2025
-----------------	---	--------------	---	----------------

This is Exhibit “N” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

Enquiry Result

File Currency: 20JAN 2025

All Pages




Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	2744364 ONTARIO LIMITED								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769704282	1	2	1	4	05FEB 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769704282		01	001		20210205 1037 1529 1967	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2744364 ONTARIO LIMITED								
	Address				City	Province	Postal Code		
	960 KING STREET E #SUITE 7				CAMBRIDGE	ON	N3H 3P3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	20JAN1973	CORNELIUS				VAN IERSEL			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	84 BREWSTER PLACE				CAMBRIDGE	ON	N3C 3T9		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	10 YORK MILLS ROAD 3RD FLOOR				TORONTO	ON	M2P 0A2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X				X	X			X
Motor Vehicle Description	Year	Make			Model		V.I.N.		
	2021	CHEVROLET			SILVERADO 3500		1GC4YUEY4MF137915		
General Collateral Description	General Collateral Description								

Registering Agent	Registering Agent			
DocuSign Envelope ID: 51B75865-5670-4394-BF6B-63229003715B				
	SYSTEMS			
	Address	City	Province	Postal Code
	4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	2744364 ONTARIO LIMITED								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782051229	2	2	2	4	14APR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782051229		001	2		20220414 1426 1590 7746	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2767888 ONTARIO INC.								
	Address				City	Province	Postal Code		
	697 CORONATION BOULEVARD, UNIT 5				CAMBRIDGE	ON	N1R 3G5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2744364 ONTARIO LIMITED								
	Address				City	Province	Postal Code		
	960 KING STREET EAST, UNIT 7				CAMBRIDGE	ON	N3H 3P3		
Secured Party	Secured Party / Lien Claimant								
	FIRM CAPITAL MORTGAGE FUND INC.								
	Address				City	Province	Postal Code		
	163 CARTWRIGHT AVENUE				TORONTO	ON	M6A 1V5		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	MACDONALD SAGER LLP (KF/MF 220580)								
	Address				City	Province	Postal Code		
	800-150 YORK STREET				TORONTO	ON	M5H 3S5		

Type of Search	Business Debtor								
Search Conducted On	2744364 ONTARIO LIMITED								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782051229	2	2	3	4	14APR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782051229		002	2		20220414 1426 1590 7746				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	PICI INVESTMENTS INCORPORATED								
	Address				City	Province	Postal Code		
	51 MAIN STREET, UNIT 302				CAMBRIDGE	ON	N1R 1V6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	THE VANCOR GROUP INC.								
	Address				City	Province	Postal Code		
	697 CORONATION BOULEVARD, UNIT 5				CAMBRIDGE	ON	N1R 3G5		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search	Business Debtor									
Search Conducted On	2744364 ONTARIO LIMITED									
File Currency	20JAN 2025									
	File Number	Family	of Families	Page	of Pages					
	782051229	2	2	4	4					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		001	1		20220420 1212 1590 8361			P PPSA		
Record Referenced	File Number	Page Amended		No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	782051229			X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name				Initial	Surname				
	Business Debtor Name									
	2744364 ONTARIO LIMITED									
Other Change	Other Change									
Reason / Description	Reason / Description									
	TO AMEND THIS REGISTRATION BY DELETING BUSINESS DEBTOR 2744364 ONTARIO LIMITED.									
Debtor/ Transferee	Date of Birth	First Given Name			Initial		Surname			
	Business Debtor Name							Ontario Corporation Number		
	Address				City		Province	Postal Code		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	Address				City		Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or		No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	MACDONALD SAGER LLP (KF/MF 220580)									

DocuSign Envelope ID: 51B75865-5670-4394-BF6B-63229003715B		Address	City	Province	Postal Code
		800-150 YORK STREET	TORONTO	ON	M5H 3S5

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)

All Pages

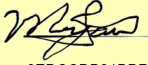
Show All Pages

This service is tested daily with McAfee SECURE™ to ensure the security of the transaction and information.

At ServiceOntario, we respect your right to privacy and value the trust you place in us. [Read more about ServiceOntario's Privacy Statement](#)

[ServiceOntario Contact Centre](#)

This is Exhibit “O” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

Business Debtor Enquiry

File Currency: 20JAN 2025

Search Criteria: 2668905 ONTARIO INC.
No Match.

No registered financing statement or registered claim for lien was found for this enquiry.

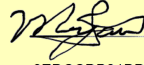
[New Enquiry](#)

This service is tested daily with McAfee SECURE™ to ensure the security of the transaction and information.

At ServiceOntario, we respect your right to privacy and value the trust you place in us. [Read more about ServiceOntario's Privacy Statement.](#)

[ServiceOntario Contact Centre](#)

This is Exhibit “P” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

Enquiry Result

File Currency: 20JAN 2025

All Pages

◀◀

▶▶

Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	2767888 ONTARIO INC.								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	768471966	1	4	1	14	10DEC 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
768471966		001	001		20201210 1549 1862 6846	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2767888 ONTARIO INC.					002767888			
	Address				City	Province	Postal Code		
	7-960 KING STREET EAST				CAMBRIDGE	ON	N3H 3P3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	BANK OF MONTREAL								
	Address				City	Province	Postal Code		
	101-20 ERB ST W, MARSLAND CENTER				WATERLOO	ON	N2L 1T2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			X
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS - 51-53								
	MAIN STREET, CAMBRIDGE, ON								

Registering Agent	Registering Agent			
DocuSign Envelope ID: 51B75865-5670-4394-BF6B-63229003715B				
	Address	City	Province	Postal Code
	4610-199 BAY STREET	TORONTO	ON	M5L 1E9

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	2767888 ONTARIO INC.								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	769560336	2	4	2	14	01FEB 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
769560336		001	001		20210201 0947 1862 0347	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2767888 ONTARIO INC.					2767888			
	Address				City	Province	Postal Code		
	302-51 MAIN STREET				CAMBRIDGE	ON	N1R 1V6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	SEAVALE INCORPORATED								
	Address				City	Province	Postal Code		
	87 MARSH DRIVE				NORTH BAY	ON	P1B 8G2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT FOR 1720 ALGONQUIN AVENUE, NORTH BAY,								
	ONTARIO								
Registering Agent	Registering Agent								
	C. JOHN D'AGOSTINO LAW PROFESSIONAL CORPORATION								
	Address				City	Province	Postal Code		
	255C FISHER STREET				NORTH BAY	ON	P1B 2C8		

Type of Search	Business Debtor								
Search Conducted On	2767888 ONTARIO INC.								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782051058	3	4	3	14	14APR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782051058		001	6		20220414 1422 1590 7745	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2767888 ONTARIO INC.								
	Address				City	Province	Postal Code		
	697 CORONATION BOULEVARD, UNIT 5				CAMBRIDGE	ON	N1R 3G5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	FIRM CAPITAL MORTGAGE FUND INC.								
	Address				City	Province	Postal Code		
	163 CARTWRIGHT AVENUE				TORONTO	ON	M6A 1V5		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	GENERAL ASSIGNMENT OF RENTS AND LEASES OVER VARIOUS REAL PROPERTIES								
	ACROSS THE PROVINCE OF ONTARIO MUNICIPALLY KNOWN AS 85-89 KING STREET								
	WEST, CHATHAM. 16 STEEL STREET, WELLAND AKA 29 SEVENTH STREET,								
Registering Agent	Registering Agent								
	MACDONALD SAGER LLP (KF/MF220580)								
	Address				City	Province	Postal Code		
	800-150 YORK STREET				TORONTO	ON	M5H 3S5		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	2767888 ONTARIO INC.								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782051058	3	4	4	14	14APR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782051058		002	6		20220414 1422 1590 7745				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	WELLAND. 326 OTTAWA STREET NORTH, HAMILTON. 4695 QUEEN STREET,								
	NIAGARA FALLS. 51 FRONT STREET WEST, STRATHROY. 22 - 24 ROBINSON								
	STREET, SIMCOE. 780 WALLACE AVENUE NORTH, LISTOWEL. 740 & 750 JAMES								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search	Business Debtor								
Search Conducted On	2767888 ONTARIO INC.								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782051058	3	4	5	14	14APR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782051058		003	6		20220414 1422 1590 7745				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	STREET, WALLACEBURG. 3-11 ERIE STREET SOUTH, LEAMINGTON. 153 WEST								
	STREET, BRANTFORD. 92 PELHAM ROAD, ST. CATHARINES. 978 3RD AVENUE								
	EAST, OWEN SOUND. 4 COURTHOUSE SQUARE, GODERICH. 125 MUSKOKA ROAD								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search	Business Debtor								
Search Conducted On	2767888 ONTARIO INC.								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782051058	3	4	6	14	14APR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782051058		004	6		20220414 1422 1590 7745				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	SOUTH, GRAVENHURST. 201 JARVIS STREET, FORT ERIE. 30 MAIN STREET								
	EAST, HUNTSVILLE. 51 MAIN STREET, CAMBRIDGE. 2107 PARKEDALE AVENUE,								
	BROCKVILLE. 520 DUNDAS STREET, WOODSTOCK. 20 BRIDGE STREET,								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search	Business Debtor								
Search Conducted On	2767888 ONTARIO INC.								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782051058	3	4	7	14	14APR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782051058		005	6		20220414 1422 1590 7745				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	BELLEVILLE. 82 DIVISION STREET, TRENTON. 496 MAIN STREET, NORTH BAY.								
	372 RIVERSIDE DRIVE, SUDBURY. 892-893 QUEEN STREET EAST, SAULT								
	STE-MARIE. 898 QUEEN STREET EAST, SAULT STE-MARIE. 513 11TH AVENUE,								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search	Business Debtor								
Search Conducted On	2767888 ONTARIO INC.								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782051058	3	4	8	14	14APR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782051058		006	6		20220414 1422 1590 7745				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	HANOVER. 25-27 SECOND STREET EAST, CORNWALL. 214 THIRD AVENUE,								
	TIMMINS. 7 MARKET SQUARE, NAPANEE.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search		Business Debtor							
Search Conducted On		2767888 ONTARIO INC.							
File Currency		20JAN 2025							
	File Number	Family	of Families	Page	of Pages				
	782051058	3	4	9	14				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	2		20220426 1009 1590 9177			P PPSA	
Record Referenced	File Number	Page Amended		No Specific Page Amended	Change Required		Renewal Years	Correct Period	
	782051058			X	A AMNDMNT				
Reference Debtor/ Transferor	First Given Name				Initial	Surname			
	Business Debtor Name								
	2767888 ONTARIO INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO DELETE THE REAL PROPERTY MUNICIPALLY KNOWN AS 51 MAIN STREET,								
	CAMBRIDGE FROM THE LIST INCLUDED IN THIS REGISTRATION AND								
	ADD/INCLUDE REAL PROPERTY MUNICIPALLY KNOWN AS 670 RIVERSIDE DRIVE,								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City		Province	Postal Code	
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City		Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL ASSIGNMENT OF RENTS AND LEASES OVER 670 RIVERSIDE DRIVE,								
	TIMMINS AKA 213 CRAIG STREET, TIMMINS.								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	MACDONALD SAGER LLP (KF/MF 220580)								

DocuSign Envelope ID: 51B75865-5670-4394-BF6B-63229003715B

Address	City	Province	Postal Code
800-150 YORK STREET	TORONTO	ON	M5H 3S5

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	2767888 ONTARIO INC.									
File Currency	20JAN 2025									
	File Number	Family	of Families	Page	of Pages					
	782051058	3	4	10	14					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		002	2		20220426 1009 1590 9177					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period				
	782051058									
Reference Debtor/ Transferor	First Given Name				Initial	Surname				
	Business Debtor Name									
Other Change	Other Change									
Reason / Description	Reason / Description									
	TIMMINS AKA 213 CRAIG STREET, TIMMINS TO THE LIST OF REAL PROPERTIES									
	IN THIS REGISTRATION. ALL OTHER REAL PROPERTIES LISTED REMAIN									
	UNCHANGED.									
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
	Business Debtor Name								Ontario Corporation Number	
	Address				City		Province	Postal Code		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	Address				City		Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model			V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									

DocuSign Envelope ID: 51B75865-5670-4394-BF6B-63229003715B		Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	2767888 ONTARIO INC.									
File Currency	20JAN 2025									
	File Number	Family	of Families	Page	of Pages					
	782051058	3	4	11	14					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		001	1		20220727 1544 1590 3564			P PPSA		
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period				
	782051058		X	A AMNDMNT						
Reference Debtor/ Transferor	First Given Name				Initial	Surname				
	Business Debtor Name									
	2767888 ONTARIO INC.									
Other Change	Other Change									
Reason / Description	Reason / Description									
	TO ADD/INCLUDE THE REAL PROPERTY MUNICIPALLY KNOWN AS 212 KING STREET, MIDLAND, ONTARIO TO THE LIST OF REAL PROPERTIES IN THIS REGISTRATION. ALL OTHER REAL PROPERTIES LISTED REMAIN UNCHANGED.									
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
	Business Debtor Name								Ontario Corporation Number	
	Address				City		Province	Postal Code		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	Address				City		Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model			V.I.N.		
General Collateral Description	General Collateral Description									
	GENERAL ASSIGNMENT OF RENTS AND LEASES OVER 212 KING STREET, MIDLAND, ONTARIO.									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	MACDONALD SAGER LLP (KF/MF 220580)									

DocuSign Envelope ID: 51B75865-5670-4394-BF6B-63229003715B		Address	City	Province	Postal Code
		800-150 YORK STREET	TORONTO	ON	M5H 3S5

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	2767888 ONTARIO INC.								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782051229	4	4	12	14	14APR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782051229		001	2		20220414 1426 1590 7746	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2767888 ONTARIO INC.								
	Address				City	Province	Postal Code		
	697 CORONATION BOULEVARD, UNIT 5				CAMBRIDGE	ON	N1R 3G5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2744364 ONTARIO LIMITED								
	Address				City	Province	Postal Code		
	960 KING STREET EAST, UNIT 7				CAMBRIDGE	ON	N3H 3P3		
Secured Party	Secured Party / Lien Claimant								
	FIRM CAPITAL MORTGAGE FUND INC.								
	Address				City	Province	Postal Code		
	163 CARTWRIGHT AVENUE				TORONTO	ON	M6A 1V5		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	MACDONALD SAGER LLP (KF/MF 220580)								
	Address				City	Province	Postal Code		
	800-150 YORK STREET				TORONTO	ON	M5H 3S5		

Type of Search	Business Debtor								
Search Conducted On	2767888 ONTARIO INC.								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	782051229	4	4	13	14	14APR 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
782051229		002	2		20220414 1426 1590 7746				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	PICI INVESTMENTS INCORPORATED								
	Address				City	Province	Postal Code		
	51 MAIN STREET, UNIT 302				CAMBRIDGE	ON	N1R 1V6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	THE VANCOR GROUP INC.								
	Address				City	Province	Postal Code		
	697 CORONATION BOULEVARD, UNIT 5				CAMBRIDGE	ON	N1R 3G5		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search	Business Debtor								
Search Conducted On	2767888 ONTARIO INC.								
File Currency	20JAN 2025								
	File Number	Family	of Families	Page	of Pages				
	782051229	4	4	14	14				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20220420 1212 1590 8361			P PPSA	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	782051229		X	A AMNDMNT					
Reference Debtor/ Transferor	First Given Name				Initial	Surname			
	Business Debtor Name								
	2744364 ONTARIO LIMITED								
Other Change	Other Change								
Reason / Description	Reason / Description								
	TO AMEND THIS REGISTRATION BY DELETING BUSINESS DEBTOR 2744364 ONTARIO LIMITED.								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City		Province	Postal Code	
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City		Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	MACDONALD SAGER LLP (KF/MF 220580)								

DocuSign Envelope ID: 51B75865-5670-4394-BF6B-63229003715B		Address	City	Province	Postal Code
		800-150 YORK STREET	TORONTO	ON	M5H 3S5

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)



All Pages



Show All Pages

This service is tested daily with McAfee SECURE™ to ensure the security of the transaction and information.

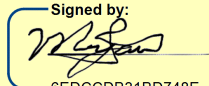
At ServiceOntario, we respect your right to privacy and value the trust you place in us. [Read more about ServiceOntario's Privacy Statement](#)

[ServiceOntario Contact Centre](#)

Web Page ID: **WEnqResult** System Date: **21JAN2025** Last Modified: December 08, 2024

This is Exhibit “Q” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:



8EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

FORBEARANCE AGREEMENT

This Forbearance Agreement (this “**Agreement**”), dated as of the 18th day of December 2024, is made by and among:

2744364 ONTARIO LIMITED o/a TRUE NORTH CANNABIS COMPANY, a corporation incorporated under the laws of the Province of Ontario (“**TNCC**”)

- and -

2767888 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario (“**Real Property Co**”)

- and -

2668905 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario (“**Bamboo Blaze**” and together with TNCC and Real Property Co, collectively, the “**Obligors**” and each an “**Obligor**”)

- and -

THE VANCOR GROUP INC., a corporation incorporated under the Ontario Business Corporations Act (hereinafter referred to as the “**Lender**”).

RECITALS:

A. The Lender holds 50% of the issued and outstanding shares of Real Property Co and Bamboo Blaze. The Lender’s principal, Cornelius Van Iersel (“**Mr. Van Iersel**”), holds 50% of the issued and outstanding shares of TNCC, and also holds management positions in each of the Obligors.

B. The Lender has advanced funds to each of the Obligors from time to time on a several (and not joint and several) basis, as recorded in the books and records of the Lender and the applicable Obligor, to fund working capital requirements and address liquidity shortfalls of each Obligor. The funds were advanced as shareholder loans and, as of the date hereof, are outstanding in the following aggregate principal amounts:

- (i) \$16,372,270.02 owing by TNCC (the “**TNCC Shareholder Loan**”),
- (ii) \$2,505,044.41 owing by Bamboo Blaze (the “**Bamboo Blaze Shareholder Loan**”), and
- (iii) \$4,232,150.19 owing by Real Property Co (the “**Real Property Co. Shareholder Loan**” and together with the TNCC Shareholder Loan and the Bamboo Blaze Shareholder Loan, the “**Shareholder Loans**” and each a “**Shareholder Loan**”).

C. Each such Shareholder Loan was advanced with the understanding that such Shareholder Loans would be repaid by the Obligors as soon as commercially reasonable, or following demand by the Lender.

D. The Lender has given notice to the Obligors that the Lender requires the repayment of each Shareholder Loan by the respective Obligor owing such Shareholder Loan.

E. The Lender and the Obligors are entering into this Agreement and the Loan Documents (as defined herein) for the purposes of, among other things, memorializing the terms and conditions of each of the Shareholder Loans and their respective repayment obligations by each of the Obligors.

F. Each of the Shareholder Loans are unsecured and Real Property Co has granted a security interest to the following secured parties in connection with indebtedness owed by the Real Property Co to such secured parties related to various mortgages: (i) Bank of Montreal, Seavale Incorporated and Firm Capital Mortgage Fund Inc.

G. Each of the Obligors have been, and are, diligently pursuing investment and financing solutions to effect the repayment of their respective Shareholder Loan (a “**Repayment Transaction**”).

H. The Obligors have requested that the Lender forbear from demanding the repayment of the Shareholder Loans, and from exercising its rights and remedies under or in connection with the Shareholder Loans, at law or in equity, while the Obligors continue to pursue a Repayment Transaction.

I. The Lender has agreed to forbear from exercising such rights and remedies for the Forbearance Period (as defined herein), provided that the Obligors comply with the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

Obligor Acknowledgments

The Obligors irrevocably and unconditionally acknowledge, covenant, represent, confirm and agree that:

Section 1.01 Recitals. Each of the foregoing recitals is, to the knowledge of the Obligors, true and accurate in all respects.

Section 1.02 Shareholder Loans. The Shareholder Loans as at the date hereof are outstanding in the following aggregate principal amounts, which amounts are exclusive of interest, which continues to accrue at a simple fixed rate of 10% per annum:

- (a) The TNCC Shareholder Loan: \$16,372,270.02
- (b) The Bamboo Blaze Shareholder Loan: \$2,505,044.41, and
- (c) The Real Property Co. Shareholder Loan: \$4,232,150.19

Section 1.03 Loan Documents. The Shareholder Loans, and the documents set out in Section 4.01(b) (collectively, the “**Loan Documents**” and each a “**Loan Document**”) are in full force and effect, and are duly executed by the respective signatories of each Obligor pursuant to the authority granted to them by Mr. Van Iersel.

Section 1.04 No Lending Obligation. The Lender has no obligation to make any further loans or otherwise extend additional credit to the Obligors under the Loan Documents or otherwise.

Section 1.05 Notice of Repayment. The Obligors have received timely and proper notice of the Lender's request for repayment and acknowledge and agree that, notwithstanding this Agreement, the Lender is in a position to demand repayment of the TNCC Shareholder Loan and the Bamboo Blaze Shareholder Loan.

Section 1.06 No Waiver of Defaults. Subject to the provisions of this Agreement, the Lender is entitled, at such time and in such case, without limitation or restriction of any kind (other than under applicable law) and as it may determine, in its sole discretion, to take and exercise all rights, remedies, actions, proceedings and claims available to the Lender as creditor under applicable law, including, without limitation: (i) demanding the shareholder loans (subject to Section 6.02) and/or initiating proceedings to collect or enforce the Shareholder Loans; (iii) seeking a bankruptcy order or joining in filing, or supporting, any involuntary bankruptcy petition with respect to the Obligors under the *Bankruptcy and Insolvency Act* (the "**BIA**"), or otherwise filing or participating in any insolvency, bankruptcy, reorganization, moratorium, receivership or other similar proceedings against the Obligors under the *Companies' Creditors Arrangement Act*, BIA and *Canada Business Corporations Act*, or similar statute (such rights, remedies, action, proceedings and/or claims, collectively, "**Lender Enforcement Actions**"). For certainty, this Agreement shall not grant any rights, remedies, actions, proceedings or claims not otherwise directly available to the Lender as creditor under applicable law.

Section 1.07 Preservation of Rights and Remedies. Upon expiration of the Forbearance Period (as defined herein), all of the Lender's rights and remedies, at law and in equity, shall be available without restriction or modification, and the obligations of the Obligors to repay their respective Shareholder Loan under the terms of the Loan Documents shall exist as if the forbearance had not occurred.

Section 1.08 Lender Conduct. To the knowledge of the Obligors, the Lender has acted reasonably, in good faith and appropriately under the circumstances.

Section 1.09 Purpose of Forbearance. The purpose of this Agreement is to memorialize the terms and conditions of the Shareholder Loans, to provide certain financial accommodations to the Obligors while the Obligors diligently seek a Repayment Transaction, and to provide the Obligors with additional time to repay their respective Shareholder Loan.

Section 1.10 Request to Forbear. The Obligors have requested the Lender's forbearance as provided herein, which shall enure to their direct and substantial benefit.

ARTICLE II Tolling Provisions

Section 2.01 Tolling. As of the date hereof and continuing until the Termination Date (defined herein) and thereafter until the termination of the tolling arrangements hereof in the manner provided for at Section 2.02 and whether or not demand for payment has previously been delivered by the Lender in respect of the Shareholder Loans, the Lender and the Obligors hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the Shareholder Loans and any entitlements arising from the Shareholder Loans and any other related matters, and each of the parties confirm that this Agreement is intended to be an agreement to suspend or extend the basic limitation period, provided by section 4 of the *Limitations Act*, 2002 (Ontario) as well as the ultimate limitation period provided by section 15 of the *Limitations Act*, 2002 (Ontario) in accordance with the provisions of section 22(2) of the *Limitations Act*, 2002 (Ontario) and as a business agreement in accordance with the provisions of section 22(5) of the *Limitations Act*, 2002 (Ontario) and any contractual time

limitation on the commencement of proceedings, any claims or defences based upon such applicable statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches.

Section 2.02 Termination of Tolling. The tolling provisions of this Agreement will terminate upon any party providing the others with 45 days written notice of an intention to terminate the tolling provisions hereof, and upon the expiry of such 45 day notice, and any time provided for under the statutes of limitations, laches, or any other doctrine related to the passage of time in relation to the Shareholder Loans or any entitlements arising from the Shareholder Loans and any other related matters, will recommence running as of the effective date of such notice, and, for greater certainty, the time during which the limitation period is suspended pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

ARTICLE III Lender Forbearance and Financial Accommodation

Section 3.01 Forbearance Period. In reliance upon the acknowledgements, representations, warranties and covenants of the Obligors contained in this Agreement and subject to compliance by the Obligors with the terms and conditions of this Agreement, the Lender hereby agrees to forbear from initiating any Lender Enforcement Action for the period (the “**Forbearance Period**”) commencing on the Effective Date (as defined herein) and ending on the earlier to occur of: (i) January 15, 2025; and (ii) the date that any Forbearance Default (as defined herein) occurs. The Lender’s forbearance, as provided herein, shall immediately and automatically cease without notice or further action on the earlier to occur of (i) or (ii) (the “**Termination Date**”). From and after the Termination Date, the agreement of the Lender to forbear shall automatically and without further action terminate and be of no further force and effect, it being expressly agreed that the effect of such expiration or termination will be to permit the Lender to initiate any and all Lender Enforcement Actions.

Section 3.02 Extension of Forbearance Period. In the sole discretion of the Lender and without obligation, after the Termination Date, the Lender may renew or extend the Forbearance Period or grant additional forbearance periods.

ARTICLE IV Conditions Precedent

This Agreement shall not become effective unless and until the date (the “**Effective Date**”) that each of the following conditions shall have been satisfied in the Lender’s sole discretion, unless waived in writing by the Lender:

Section 4.01 Delivery of Certain Documents. The Obligors shall deliver, or cause to be delivered, the following documents, each in form and substance acceptable to the Lender:

- (a) a copy of this Agreement, duly executed by the Obligors;
- (b) a demand grid promissory note issued by TNCC to the Lender, evidencing the TNCC Shareholder Loan and the agreement of TNCC and the Lender in respect thereof, in the form attached hereto as Annex A;
- (c) a demand grid promissory note issued by Bamboo Blaze to the Lender, evidencing the Bamboo Blaze Shareholder Loan and the agreement of Bamboo Blaze and the Lender in respect thereof, in the form attached hereto as Annex B

- (d) a demand grid promissory note issued by Real Property Co. to the Lender, evidencing the Real Property Co. Shareholder Loan and the agreement of Real Property Co. and the Lender in respect thereof, in the form attached hereto as Annex C;
- (e) such other documents and instruments as the Lender may reasonably request with respect to any matter relevant to this Agreement or the transactions contemplated hereby.

ARTICLE V

Representations and Warranties

Each of the Obligors and the Lender represents and warrants as to itself that all representations and warranties relating to it contained in this Agreement and the applicable Loan Documents are true and correct as of the Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date. Each of the parties further represents and warrants to the other parties as follows, and acknowledges that the other parties are relying on the accuracy of such representations and warranties:

Section 5.01 Accuracy of Information. All information provided by the Obligors and the Lender or any of their respective agents, is true, correct, and complete in all material respects, as of the date provided and does not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Section 5.02 Advice of Counsel. Each of the Obligors and the Lender have freely and voluntarily entered into this Agreement with the advice of legal counsel of their choosing, or have knowingly waived the right to do so.

ARTICLE VI

Additional Acknowledgments

Section 6.01 Recitals. Each of the recitals herein is, to the knowledge of the Lender, true and accurate in all respects.

Section 6.02 Ability to Demand. The Lender is party to an Assignment, Postponement and Subordination Agreement dated April, 2022, among, *inter alios*, the Lender, Real Property Co. and Firm Capital Mortgage Fund Inc. ("**Firm Capital**"). Pursuant to the terms of such agreement, the Lender postponed its rights in favour of Firm Capital, and agreed not to demand, or accept payment of, the Real Property Co. Shareholder Loan for so long as Real Property Co. remains indebted to Firm Capital. Notwithstanding any other provision of this Agreement, the Lender acknowledges and agrees that the Lender is not in a position to demand, or receive repayment of, the Real Property Co. Shareholder Loan until such time as Firm Capital has been repaid in full, in accordance with the terms of that agreement.

Section 6.03 Conflict of Interest; Recusal. As a result of a court order by Justice Gibson of the Ontario Superior Court of Justice dated April 26, 2024 (the "**Court Order**"), which remains in full force and effect, Mr. Van Iersel has the sole authority over the finances and banking of the Obligors (acting reasonably and in the best interests of the Obligors). The parties acknowledge and confirm that there is an actual and perceived conflict of interest between the interests of Mr. Van Iersel as principal of the Lender and his management position with the Obligors in respect of payment of the Shareholder Loans and Mr. Van Iersel has therefore recused himself from making any decision on behalf of the Obligors in respect of the matters

addressed herein and allocated such authority to the individual signatories herein. Any enforceability issues relating to this Agreement as a result of such authority shall be at the sole risk of the Lender.

ARTICLE VII

Covenants of the Obligors

To induce the Lender to forbear from the exercise of its rights and remedies as set forth above, the Obligors hereby covenant and agree as follows:

Section 7.01 Repayment Milestones. The Obligors will continue to pursue a Repayment Transaction in accordance with the following milestones:

- (a) Within ten (10) days following the Effective Date:
 - (i) the Obligors shall deliver to the Lender a list of 5-10 prospective investors and lenders that are being pursued by each of the Obligors in connection with a Repayment Transaction; and
 - (ii) the Obligors shall engage a financial advisor (a “**Financial Advisor**”) reasonably satisfactory to the Lender, on terms reasonably satisfactory to the Lender and at the expense of the Obligors. The Lender shall have unfettered access to the Financial Advisor, and shall be entitled to communicate openly and without restriction. The Obligors acknowledge and agree that the Financial Advisor shall be able to act for the Lender in any Lender Enforcement Action; provided that unless and until the Financial Advisor is retained by the Lender to act in a Lender Enforcement Action, the Financial Advisor’s duties and obligations are owed to, and it shall take instructions from, the Obligors.
- (b) On or before the date that is twenty (20) days after the Effective Date:
 - (i) the Obligors shall deliver to the Lender a detailed update on their efforts to secure a Repayment Transaction, which will include an overview of discussions with all potential lenders and investors, the nature of the proposed Repayment Transactions, and the timelines for completing same; and
 - (ii) the Obligors shall deliver to the Lender a 13-week cash flow forecast, in form content and detail reasonably satisfactory to the Lender (the “**Cash Flow Forecast**”), to be prepared on an individual and consolidated basis. The Cash Flow Forecast shall be prepared by the Obligors in consultation with the Financial Advisor.
- (c) Within forty-five (45) days following the Effective Date, the Obligors will deliver to the Lender, a binding commitment for a Repayment Transaction.

Section 7.02 Financial Information. Each of the Obligors shall promptly provide to the Lender such financial information as the Lender may reasonably request.

Section 7.03 Compliance with Shareholder Loans. The Obligors shall perform and observe all covenants, terms and conditions and other obligations contained in the Loan Documents and this Agreement.

Section 7.04 Payments to Shareholders. Without the prior written consent of the Lender, the Obligors shall not make any payments to other shareholders by way of dividend, bonus or otherwise.

Section 7.05 No Additional Debt. The Obligors shall not increase existing debt obligations or incur new debt obligations, including through a Repayment Transaction, without the prior written consent of the Lender, and the Lender may in its reasonable discretion require that such debt be used to repay the Shareholder Loans, provided that for additional clarity, the Lender shall act reasonably and shall provide its consent for the Obligors to incur debt obligations that are on market terms, or reasonably close thereto, and would not prevent the Obligors from operating in the ordinary course.

Section 7.06 Obligations to Third Parties. The Obligors shall: (i) continue to pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all of their liabilities and obligations arising in the ordinary course of business during the Forbearance Period; and (ii) without duplication of (i), not default on any of their obligations to any third party.

Section 7.07 Notice of Adverse Claims. If the Obligors shall become aware that any person or entity is asserting any lien, encumbrance, security interest or adverse claim (including any writ of seizure and sale, garnishment, judgment, execution, civil enforcement order, or similar process or any claim of control) against any of them or any of their property (each, an “**Adverse Claim**”), they shall promptly notify the Lender in writing thereof and provide to the Lender all documentation and other information it may reasonably request regarding such Adverse Claim.

Section 7.08 Further Assurances. Promptly upon the request of the Lender, acting reasonably, the Obligors shall take any and all commercially reasonable actions, and execute and deliver additional documents reasonably necessary or desirable that relate to this Agreement and the transactions contemplated herein.

ARTICLE VIII

Events of Default

Section 8.01 Events of Default. From and after the date of this Agreement, the occurrence of one or more of the following shall constitute a “**Forbearance Default**” under this Agreement, but each only applicable to the Obligor pursuant to which such Forbearance Default applies:

- (a) The Obligors, or any of them, fail to abide by or observe any term, condition, covenant or other provision contained in this Agreement, the applicable Loan Documents or any document related to or executed in connection with this Agreement including, for certainty, the repayment milestones set out in Section 7.01.
- (b) Any Obligor:
 - (i) becomes insolvent;
 - (ii) is generally not, or is unable to, or admits in writing its inability to, pay its debts as they become due;
 - (iii) (x) commences any proceeding or other action under any existing or future laws relating to bankruptcy, insolvency, reorganization, or other relief of debtors, seeking (A) to have an order for relief entered with respect to it; or (B) to adjudicate it as bankrupt or insolvent; or (C) reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it

or its debts; or (D) appointment of a receiver, receiver manager, interim receiver, trustee, custodian, conservator, or other similar official for it or for all or any part of its assets; or (y) makes a general assignment for the benefit of its creditors;

- (iv) has commenced against it in a court of competent jurisdiction any case, proceeding or other action of a nature referred to in Section 8.01(b)(iii) above which: (x) results in the entry of an order for relief or any such adjudication or appointment; or (y) remains undismissed, undischarged, unstayed or unbonded for 30 days; or
- (v) ceases to conduct business in the ordinary course.
- (c) If any enforcement step is taken by any taxing authorities in respect of any outstanding liability of the Obligors to such taxing authority.
- (d) Any Obligor, or any of their respective creditors commences a proceeding or other action against the Lender relating to the applicable Shareholder Loan of such Obligor, this Agreement, or any action or omission by the Lender or their agents in connection with any of the foregoing.
- (e) Any other creditor of any Obligor commences an action against an Obligor seeking to collect any debt, obligation or liability.
- (f) Any representation or warranty of any Obligor made herein shall be false, misleading or incorrect in any material respect when made.
- (g) If, in the opinion of the Lender, acting reasonably, a material adverse change in the business or circumstances of the Obligors occurs.

Section 8.02 Waiver. The Lender may waive, in writing, any Forbearance Default, in its sole and absolute discretion, but no such waiver shall constitute a waiver of any other Forbearance Default.

ARTICLE IX

Effect of Default; Remedies

Section 9.01 Effect of Default. Upon the occurrence of a Forbearance Default, notwithstanding that such Forbearance Default may be non-monetary in nature, as it relates to the applicable Obligor only:

- (a) the Forbearance Period shall immediately and automatically cease, without notice to, or action by, any party; and
- (b) The Lender shall be entitled to exercise any or all of its rights and remedies under this Agreement or applicable law, including, without limitation, a Lender Enforcement Action against the applicable Obligor only.

ARTICLE X

Miscellaneous

Section 10.01 Notices. Any notices with respect to this Agreement shall be given in writing and delivered as follows:

- (a) If to the Obligors:

c/o 2744364 Ontario Limited O/A True North Cannabis Company.
960 King Street East, 7
Cambridge, Ontario N3H 3P3

Attention: Heithem Dahrouj
Email: hdahrouj@tncc.ca

with a copy to:

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West, Suite 3400
Toronto, ON M5H 4E3

Attention: Jasmine Lothian / Kevin Lambie
Email: jlothian@blg.com / klambie@blg.com

(b) If to the Lender:

The Vancor Group Inc.
697 Coronation Blvd, Unit 5
Cambridge, Ontario N1R 3G5

Attention: Cornelius Van Iersel
Email: corry@vancorgroup.com

with a copy to:

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, ON M5H 4A9

Attention: Sam Massie / Harrison Fox
Email: smassie@millerthomson.com / hfox@millerthomson.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a business day, will be deemed to have been given on such business day, and if transmitted by email after 5:00 p.m. (Toronto time) on a business day, will be deemed to have been given on the business day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a party. A person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such person at its changed address.

Section 10.02 Entire Agreement. This Agreement and the Loan Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein and supersede all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

Section 10.03 Amendments. The terms of this Agreement may only be waived, amended, modified or supplemented by an agreement in writing signed by all the parties hereto.

Section 10.04 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 10.05 Successors and Assigns. This Agreement is binding upon and shall enure to the benefit of the parties hereto and their respective heirs, successors and assigns; provided that the Obligors may not assign any rights or delegate any obligations arising herein without the prior written consent of the Lender, and any prohibited assignment shall be absolutely void. The Lender may assign its rights and interests in this Agreement, the Loan Documents and all documents executed in connection with or related to this Agreement or the Loan Documents, at any time, without the consent of or notice to the Obligors.

Section 10.06 Governing Law. This Agreement is governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without giving effect to any choice or conflict of law provision or rule (whether of the Province of Ontario or any other jurisdiction).

Section 10.07 Submission to Jurisdiction. Any action or proceeding arising out of this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby will be instituted in the courts of the Province of Ontario, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such action or proceeding. The parties irrevocably and unconditionally waive any objection to the venue of any action or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 10.08 Cumulative Rights. The rights and remedies under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available by law, in equity or otherwise.

Section 10.09 Costs and Expenses. The Obligors agree to pay all costs, fees and expenses of the Lender (including legal fees), expended or incurred by the Lender in connection with the negotiation, preparation, administration and enforcement of this Agreement, the Loan Documents, and the Shareholder Loans. Without limiting the foregoing, the Obligors shall jointly and severally pay all fees, costs and expenses incurred by the Lender in connection with any bankruptcy or insolvency proceeding (including, without limitation, any contested matter or motion brought by the Lender or any other person).

Section 10.10 Headings. The Section headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.


Section 10.11 Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission (that is, .pdf or .tiff) is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

For the Lender:

THE VANCOR GROUP INC.

Per:  Signed by:
Name: Cornelius Van Iersel
Title: Authorized Signatory
I have the authority to bind the corporation

For the Obligors:

**2744364 ONTARIO LIMITED o/a TRUE
NORTH CANNABIS COMPANY**

Per: Chris Richards
Name: Chris Richards
Title: Vice-President Operations

Per: Heithem Dahrouj
Name: Heithem Dahrouj
Title: Vice-President Finance

2668905 ONTARIO INC.

Per: Chris Richards
Name: Chris Richards
Title: Vice-President Operations

Per: Heithem Dahrouj
Name: Heithem Dahrouj
Title: Vice-President Finance

2767888 ONTARIO INC.

Per: Chris Richards
Name: Chris Richards
Title: Vice-President Operations

Per: Heithem Dahrouj
Name: Heithem Dahrouj
Title: Vice-President Finance

Annex A

[see attached]

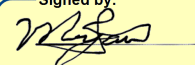
Annex B

[see attached]

Annex C

[see attached]

This is Exhibit “R” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

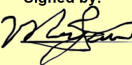
LITIGATION SEARCH SUMMARY

No.	Plaintiff	Defendant	Case Number	Court Location	Case Title	Amount	Most Recent Order Date	Status
1.	2637503 Ontario Inc. Boland, Wayne Patrick Boland, Alicia Ivy Britton, Peter Britton, Carey Cameron, Brandon Cornish, Kimberly Maria Cornish, Rodney George	Pic Capital Ltd. Pici Investments Incorporated 326 Ottawa St Hamilton Inc. 2767888 Ontario Inc. 29 Seventh St Welland Inc. 2668903 Ontario Inc. 2668905 Ontario Inc. 1517331 Ontario Inc. Schaller, Kenneth	CV21000006780000	Kitchener	2637503 Ontario Inc. et al v. Pic Capital Ltd. et al	\$926,000	2021-12-20 Order discharge certificate of pending litigation	Inactive.
2.	Vancor Group Inc. Vangar Properties Inc. Van Iersel, Cornelius Van Iersel, Corry MacDonald, Rebecca	2744364 Ontario Limited c.o.b. as True North Cannabis Co. 2767888 Ontario Inc. 2767889 Ontario Inc. 1000370759 Ontario Inc. 2668905 Ontario Inc. o/a Bamboo Blaze Schaller, Kenneth Lindhorst, Dustin Hapanovich, Alena Galaxie Brands Corporation Vancor Management Inc. Jax Jungle Play Inc. Garas Family Holdings Inc.	CV24000006690000	Kitchener	Vancor Group Inc. et al v. 2744364 Ontario Limited c.o.b. as True North Cannabis Co. et al	\$30,000,000	2024-04-29 Order giving directions	All defendants except Garas have defended. No timetable order or currently scheduled next steps.
3.	Harrison, Kathryn	2744364 Ontario Limited	CV21000003910000	Kitchener	Harrison v. 2744364 Ontario Limited et al	\$276,069	N/A	N/A

- 2 -

No.	Plaintiff	Defendant	Case Number	Court Location	Case Title	Amount	Most Recent Order Date	Status
		Vancor Management Inc.						
4.	Laposi, Alexandru	Pici Investments Incorporated Pic Capital Ltd. Schaller, Kenneth 326 Ottawa St. Hamilton Inc. 2767888 Ontario Inc.	CV20000747490000	Hamilton	Laposi v. Pici Investments Incorporated et al	\$370,000	2021-05-19 Judgment default (against all defendants)	Settled.
5.	Garas Family Holdings Inc.	Van Iersel, Corry Schaller, Kenneth Pici Investments Incorporated The Vancor Group Inc. 2767888 Ontario Inc.	CV24000014140000	Kitchener	Garas Family Holdings Inc. v. Van Iersel et al	\$4,023,735	2024-11-29 Order giving directions 2025-03-19 Hearing – application on notice	Subject to timetable order. Application scheduled to be heard 19 March 2025.

This is Exhibit “S” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

Court File No. CV-00000669-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

JUSTICE GIBSON

)
)
)

FRIDAY, THE 26
DAY OF APRIL, 2024

BETWEEN:

(Court Seal)

VANCOR GROUP INC., VANGAR PROPERTIES INC., CORNELIUS VAN
IERSEL, CORY VAN IERSEL and REBECCA MACDONALD

Plaintiffs

and

2744364 ONTARIO LIMITED, c.o.b. as TRUE NORTH CANNABIS CO.,
2767888 ONTARIO INC., 2767889 ONTARIO INC., 1000370759 ONTARIO
INC., 2668905 ONTARIO INC. o/a BAMBOO BLAZE, KENNETH
SCHALLER, also known as KEN SCHALLER, DUSTIN LINDHORST,
ALENA HAPANOVICH, GALAXIE BRANDS CORPORATION, VANCOR
MANAGEMENT INC., JAX JUNGLE PLAY INC. and GARAS FAMILY
HOLDINGS INC.

Defendants

ORDER

THIS MOTION, made by the Plaintiffs, for the relief sought in the Notice of Motion, dated
April 23, 2024, made without notice, was read this day, at 85 Frederick Street, Kitchener ON N2H
0A7.

-2-

ON READING the Notice of Motion, dated April 23, 2024, Affidavit of Corry Van Iersel, sworn April 23, 2024, Supplementary Affidavit of Corry Van Iersel, sworn April 24, 2024, Factum of the Plaintiffs, filed, and Consent of the Defendants, the Motion being unopposed by the Defendant, Garas Family Holdings Inc.,

1. THIS COURT ORDERS an interim interlocutory injunction prohibiting and restraining the Defendants, Schaller and Hapanovich, their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, from directly or indirectly by any means whatsoever taking any steps to deal with the business or a business relating to the Companies, directly or indirectly, including but not restricted to:
 - i. Communicating with creditors, debtors, suppliers, bankers, agents, governing agencies or authorities, landlords, lenders except via counsel, Ryan Kerr or David Goldberg;
 - ii. Writing cheques or paying or transferring monies;
 - iii. Accessing bank or other financial accounts belonging to the Companies in any way except to view;
 - iv. Instructing, requesting, assisting, counselling, demanding or encouraging any person any of the forbidden activities; and

-3-

- v. Facilitating, assisting in, or participating in anything the effect of which is to do any of the forbidden activities, except with the written consent of the Plaintiff or pursuant to an Order of this Court.
2. THIS COURT ORDERS THAT Corry Van Iersel shall have sole authority over the finances and banking of the Defendants, acting reasonably and in the best interests of the Defendant companies, excluding Garas Family Holdings Inc.
3. THIS COURT ORDERS a standstill on the terms above, pending the Motion for interlocutory relief, on the condition that the Plaintiffs will not, without the consent of Garas Family Holdings Inc., take any of the steps listed in paragraph 4.1(g) of the shareholders agreement of 2767888 Ontario Inc. executed on November 5, 2021 and, in particular, will not cause 2767888 Ontario Inc. to purchase, sell, or lease any real property or to borrow or lend money without the consent of Garas Family Holdings Inc.
4. THIS COURT ORDERS THAT the Motion for the interlocutory relief sought by the Plaintiffs shall be adjourned to sine die.
5. THIS COURT ORDERS THAT costs of today's Motion shall be reserved to the Judge presiding at the return of the Motion for the interlocutory relief.

26 April 2024
Date of issuance
(to be completed by registrar)


Justice M.R. Gibson

(Signature of judge, officer or registrar)


VANCOR GROUP INC. et al.
Plaintiffs


-and-

VANCOR MANAGEMENT INC. et al.
Defendants

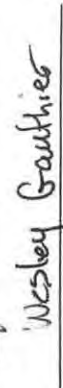
Court File No.

I, Dustin Lindhorst, Kenneth Schaller, and Alena Hapanovich, have spoken to a lawyer with regards to the Claim and this Motion and been given an opportunity to seek additional advice but decline. We wish to consent to this Order.

 Dustin Lindhorst April 26 2024

 Kenneth Schaller 04/26/2024

 Alena Hapanovich April 26/2024

 Witness name: Wesley Gauthier April 26 2024

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
WATERLOO REGION

ORDER

LOWES, SALMON, GADBOIS & CLARKE
Dutton Professional Centre
500 Dutton Drive
Waterloo ON N2L 4C6

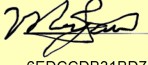
Steven D. Gadbois (LSO# 34090L)
Tel: 519-884-0800 ext. 225
Fax: 519-884-1026E: sgadbois@watlaw.ca

Lawyers for the Plaintiffs

File Number: 12131

RCP-F 4C (September 1, 2020)

This is Exhibit “T” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS



Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

(Court Seal)

VANCOR GROUP INC., VANGAR PROPERTIES INC., CORNELIUS VAN
IERSEL, CORY VAN IERSEL and REBECCA MACDONALD

Plaintiffs

and

2744364 ONTARIO LIMITED, c.o.b. as TRUE NORTH CANNABIS CO.,
2767888 ONTARIO INC., 2767889 ONTARIO INC., 1000370759 ONTARIO
INC., 2668905 ONTARIO INC. o/a BAMBOO BLAZE, KENNETH
SCHALLER, also known as KEN SCHALLER, DUSTIN LINDHORST,
ALENA HAPANOVICH, GALAXIE BRANDS CORPORATION, VANCOR
MANAGEMENT INC., JAX JUNGLE PLAY INC. and GARAS FAMILY
HOLDINGS INC.

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff.
The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for
you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*,
serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the
Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this
Statement of Claim is served on you, if you are served in Ontario.

-2-

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$750 for costs, within the time for serving and filing your Statement of Defence you may move to have this proceeding dismissed by the Court. If you believe the amount claimed for costs is excessive, you may pay the Plaintiff's claim and \$400 for costs and have the costs assessed by the Court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date _____ Issued by _____
Local Registrar

Address of 85 Frederick Street
court office: Kitchener ON N2H 0A7

TO: 2744364 Ontario Limited, c.o.b. as True North Cannabis Co.
960 King St. East, Suite 7
Cambridge, ON N3H 3P3

AND TO: 2767888 Ontario Inc.
5-697 Coronation Blvd.
Cambridge, ON N1R 3G5

AND TO: 2767889 Ontario Inc.
51 Main St., Suite 302
Cambridge, ON N1R 1V6

-3-

AND TO: 1000370759 Ontario Inc.
43 Charles St.
Cambridge, ON N1S 2W9

AND TO: 2668905 Ontario Inc. o/a Bamboo Blaze
5-697 Coronation Blvd.
Cambridge, ON N1R 3G5

AND TO: Kenneth Schaller also known as Ken Schaller
780 Concession 8 West
Puslinch, ON N0B 2J0

AND TO: Dustin Lindhorst
326 Ottawa Street N.
Hamilton, ON L8H 4A1

AND TO: Alena Hapanovich
780 Concession 8 West
Puslinch, ON N0B 2J0

AND TO: Galaxie Brands Corporation
780 Concession 8 West
Puslinch, ON N0B 2J0

AND TO: Vancor Management Inc.
697 Coronation Blvd, Unit 5
Cambridge, ON N1R 3G5

AND TO: Jax Jungle Play Inc.
697 Coronation Blvd, Unit 5
Cambridge, ON N1R 3G5

AND TO: Garas Family Holdings Inc.
c/o Smith, Valeriotte
245 Hanlon Creek Blvd., Unit 102
Guelph, ON N1C 0A1

-4-

CLAIM

1. The Plaintiffs claim:

- (a) the sum of \$50,000,000.00 for the oppression of the Plaintiffs reasonable expectations as shareholders and breach of fiduciary duties;
- (b) repayment of shareholder loans in the sum of \$30,000,000.00;
- (c) an Order abridging and waiving the time for and method of service of the Statement of Claim, Notice of Motion, the Motion Record, the Factum, motion confirmation forms, supplementary and other motion materials, if any, and dispensing with further or other service thereof;
- (d) an interlocutory injunction prohibiting and restraining the Defendants, their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, including but not limited to True North, 2767888, 2767889, 10003, Bamboo Blaze, Vancor and Jax Jungle (collectively “the Companies”), and Schaller, Lindhorst, Hapanovich in their capacities as a servant, employee, agent, assign officer and/or director of the Companies, and any and all persons with notice of this motion, from directly or indirectly by any means whatsoever selling, removing, dissipating, alienating, disposition of, transferring, assigning, selling, encumbering, pledging or otherwise dealing with the shares held by Schaller, Lindhorst and Hapanovich and/or the Companies pending the trial of this action, absent the consent of the Plaintiffs;

-5-

- (e) an interlocutory injunction prohibiting and restraining the Defendants, Schaller and Hapanovich, their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, from directly or indirectly by any means whatsoever taking any steps to deal with the business of a business relating to the Companies, directly or indirectly, including but not restricted to:
- i. Communicating with employees, agents, contractors, creditors, debtors, suppliers, bankers, agents, governing agencies or authorities, landlords, lenders;
 - ii. Writing cheques or paying or transferring monies;
 - iii. Accessing bank or other financial accounts belonging to the Companies in any way except to view;
 - iv. Immediately forwarding all email accounts used for or associated with the Companies business to Van Iersel, including but not restricted to ken@cannacloudconsulting.ca, alena@tncc.ca, construction@tncc.ca, max@cannacloudconsultint.ca;
 - v. Immediately forwarding all telephone and fax numbers used for or associated with the Companies business to Van Iersel;

-6-

- vi. Instructing, requesting, assisting, counselling, demanding or encouraging any person any of the forbidden activities; and
 - vii. Facilitating, assisting in, or participating in anything the effect of which is to do any of the forbidden activities, except with the written consent of the Plaintiff or pursuant to an Order of this Court;
- (f) an Order reducing the remunerations paid to Corry Van Iersel, Rebecca MacDonald, Kenneth Schaller also known as Ken Schaller, and Alena Hapanovich by any of the Defendant companies by half ;
 - (g) an Order for interim relief to implement a standstill on the above terms, pending the motion for interlocutory relief on a date to be scheduled;
 - (h) prejudgment interest calculated at the rate of 10% per annum pursuant to a contract between the parties;
 - (i) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
 - (j) the costs of this proceeding, plus all applicable taxes; and
 - (k) such further and other relief as to this Honourable Court may deem just.
2. The Plaintiff, Corry Van Iersel (“Van Iersel”), is an individual residing in Cambridge, Ontario. At all material times he was and remains the common law spouse of Rebecca MacDonald

-7-

and a shareholder, director and officer of Vancor Group Inc. (“Vancor”) and Vangar properties Inc. (“Vangar”). Van Iersel at all material times was and remains a director, officer and personally and via Vancor a 50% shareholder of 2744364 Ontario Limited, c.o.b. as True North Cannabis (“True North”), 2767888 Ontario Inc. (“2767888”), 2767889 Ontario Inc. (“2767889”), 2668905 Ontario Inc. o/a Bamboo Blaze (“Bamboo Blaze”), Vancor and Jax Jungle Play Inc. (“Jax Jungle”).

3. The Plaintiff, Rebecca MacDonald (“MacDonald”), is an individual residing in Cambridge. She was at all material times and remains the common law spouse of Van Iersel. She is 49% owner of 1000460404 Ontario Inc., which in turn owns 50% of 10003.

4. The Plaintiff, Cornelius Van Iersel (“Cornelius”) is an individual residing in Cambridge, ON. He is Van Iersel’s father. He is and at all material times and remains the owner of 51% of 10004, which in turn owns 50% of 10003.

5. The Plaintiff, Vangar, is duly incorporated pursuant to the laws of Ontario with an office in Cambridge.

6. The Plaintiff, Vancor, is duly incorporated pursuant to the laws of Ontario with an office in Cambridge.

7. The Defendant, Kenneth Schaller also known as Ken Schaller (“Schaller”), is an individual residing in the Region of Waterloo. At all material times he was and remains a director, officer and 50% shareholder of 2767889, Bamboo Blaze, Vancor and Jax Jungle, 30% shareholder of 2767888 and 15% of shares in 10004, which in turn owns 50% of 10003 and is the common law spouse of Alena Hapanovich (“Hapanovich”).

-8-

8. Hapanovich is an individual residing in the Region of Waterloo. At all material times she was and remains a 50% shareholder of True North and is the common law spouse of Schaller. Hapanovich became the 50% shareholder of True North as Schaller was barred by the Alcohol and Gaming Commission of Ontario from being a shareholder or even associated with as a result of a criminal conviction for assault.

9. The Defendant, Dustin Lindhorst (“Lindhorst”), is an individual residing in Hamilton, Ontario. He is a friend of Schaller, owner of 85% number of the shares in 10004 as Schaller is prevented from being more than a 10% shareholder by Health Canada as a result of his criminal conviction, which in turn owns 50% of 10003 and a director of 10003.

10. Garas Family Holdings Inc. (“Garas”) is duly incorporated pursuant to the laws of Ontario with an office in Guelph, Ontario. It owns 20% of the shares in 2767888.

11. True North is duly incorporated pursuant to the laws of Ontario with an office in Cambridge. It operates fifty (50) retail outlets across Ontario selling cannabis and related products and has annual sales of approximately \$60,000,000.00.

12. 2767888 is duly incorporated pursuant to the laws of Ontario with an office in Cambridge. It operates as a real estate holding company and owns forty (40) of True North’s retail stores with the approximate value of \$30,000,000.00.

13. 2767889 is duly incorporated pursuant to the laws of Ontario with an office in Cambridge. It operates as a construction company almost exclusively for 2767888’s real estate and True North’s leaseholder.

-9-

14. 10003 is duly incorporated pursuant to the laws of Ontario with an office in Cambridge. It owns Galaxie Brands Corporation (“Galaxie”).

15. Galaxie is duly incorporated pursuant to the laws of Ontario with an office in Puslinch. It operates as manufacturer, packager and a marketer of cannabis. It started business in October 2023 and has sales of approximately \$1,500,000.00 a month.

16. Lindhorst is the day-to-day manager of Galaxie with Van Iersel more at arms length from the operations but managing and providing the financial matters and financing Galaxie, primarily via Vancor but also via Vangar and personally. Schaller has recently become more involved with Galaxie.

17. Van Iersel is the day-to-day manager of True North, but Hapanovich and Schaller have the ability to interfere with the financial aspect of the business via Hapanovich’s role as a director /officer and signing authority on its bank accounts.

18. Van Iersel is the day-to-day manager of Vancor, which manages over 200 commercial properties including 2767888’s 40 properties, Van Iersel’s personal property portfolio and properties belonging to other non-associated parties.

19. The remainder of the companies do not have any significant business activities requiring management.

-10-

20. Vancor has loaned True North the sum of \$17,036,155.64, 888 the sum of \$3,266,759.96, 889 the sum of \$3,857,138.76, 10003 the sum of \$3,497,392.20 and Bamboo Blaze the sum of \$1,382,250.00.

21. Vangar has loaned 10003 the sum of \$2,200,000.00.

22. All of the loans are longstanding and fluctuate according to need of the recipients. They are set out in the financial records of the companies, which records are prepared by the companies' accountant, and available at all times to all of Schaller, Hapanovich and Van Iersel.

23. The parties have signed promissory notes with respect to the \$2,200,000.00 owing by 10003 to Vangar and \$2,756,000.00 of the \$3,497,382.20 owing by 10003 to Vancor.

24. Schaller has one loan in total, via his holding company, PICI Investments Incorporated ("PICI") which is owed the sum of \$1,559,453.21 by 2767888.

25. Aside from external financing the companies fund each other as needed with Galaxie receiving significant funding from the others.

26. The business commenced in 2020 when Van Iersel loaned Schaller money to prevent his commercial real estate from being lost via power of sale. The parties formed 2767888 with Van Iersel 50% shareholder.

27. A cannabis licence became available and Van Iersel and Hapanovich obtained it, incorporated True North and filled 2767888's commercial properties with 5 cannabis stores.

-11-

28. The initial plan was that True North would open another 10 cannabis stores with Van Iersel funding it, at which point he would be paid back with 10% interest.

29. The Plan did not come to fruition and was amended to open more stores, with Van Iersel not only leaving in his original investment but providing additional funding.

30. As of November 2022, a cannabis manufacturing and packaging licence became available and the parties acquired it incorporating 10003 to do so. 10003 eventually acquired Galaxie which was a larger business with the same licence.

31. As the business grew, Van Iersel's financial exposure increased as he wished to slow down and take his profit while Schaller wished to grow faster and more, especially with Galaxie. Schaller became more and more mercurial, demanding control of Galaxie, terminating staff for personal reasons and excluding Van Iersel from involvement, even to the point of threatening him if he attended at his office at the company premises.

32. Promissory notes were prepared by the parties without lawyers, using a precedent and simply changing the pertinent information and using the amounts set out in the financial records and have a due date of May 31, 2024.

33. The parties executed shareholder contracts with respect to all the companies as of January 2, 2024. The shareholder agreements were prepared by the parties without lawyers, using a precedent agreement and simply changing the names.

-12-

34. The shareholders contracts all contained the following provisions for control and management:

4.1 The Shareholders shall cause such meetings of the Corporation to be held, votes cast, resolutions passed, by-laws enacted, documents executed and all things and acts done to ensure the following continuing arrangements with respect to the operation and control of the Corporation:

(a) The affairs of the Corporation shall be managed by a Board of Directors which shall at all times consist of only two (2) directors, being Kenneth Schaller and Corry Van Iersel or the respective nominees of VANCOR and PICI.

(b) Should any vacancy occur on the Board of Directors, such vacancy shall be filled forthwith by the appointment of a nominee by VANCOR and PICI who is not then represented by the nominee to which they are entitled hereunder. Until such vacancy is filled, the Board of Directors shall not transact any business or exercise any of its powers or functions, save and except as may be necessary to elect such new director and/or preserve the business and assets of the Corporation. Provided that if a replacement director is not elected as aforesaid within twenty-one (21) days of such vacancy occurring, thereafter the directors then in office shall be entitled to transact business and exercise all of the powers and functions of the Board of Directors.

(c) The officers of the Corporation shall be:

(i) Kenneth Schaller – President

(ii) Corry Van Iersel – Vice President, Secretary and Treasurer and such additional officers as the Board of Directors may determine from time to time. Notwithstanding the foregoing, if any above-named officer resigns his office, then the Board of Directors shall be entitled to appoint a replacement.

(d) A quorum for a meeting of the Board of Directors shall be two directors.

(e) A quorum for a meeting of the shareholders shall be three (3) shareholders, present or represented by proxy, holding shares of the Corporation enjoying voting rights at such meeting. In the event that a quorum is not obtained at any meeting, the meeting shall be adjourned and reconvened five (5) Business Days later, at the same time and in the same location, at which reconvened meeting the quorum shall be the Shareholders present so long as there are at least two (2) Shareholders present.

(f) All contracts and documents binding the Corporation shall require the signatures of those individuals determined by the Board of Directors from time to time.

-13-

(g) The Corporation will not undertake any of the following without the prior unanimous consent of the Shareholders and each Shareholder may exercise their own discretion with respect to granting such consent:

- (i) any change or amendment to the Articles of the Corporation;*
- (ii) the enactment, amendment or repeal of any bylaws of the Corporation;*
- (iii) any increase or decrease in the number of the minimum and maximum number of directors of the Corporation;*
- (iv) the issuance of any Shares or securities;*
- (v) the purchase or redemption of any Shares of the Corporation.*
- (vi) the declaration or payment of dividends on any of its Shares;*
- (vii) the repayment of any loan of the Corporation other than in accordance with its terms;*
- (viii) the sale or disposition of its undertaking as an entirety or substantially as an entirety;*
- (ix) the purchase, sale or lease by the Corporation of any real property;*
- (x) the lending of money by the Corporation;*
- (xi) the guarantee by the Corporation of the debts of any person in any amount;*
- (xii) the carrying on of any business other than the Business or any activity incidental thereto or the discontinuance of the Business;*
- (xiii) any material investment in any other corporation, or the entry into of any partnership*
with any other person;
- (xiv) any material change in the business of the Corporation;*
- (xv) enter into any contracts, agreements or commitments out of the ordinary course of business;*
- (xvi) any change in the fiscal year of the Corporation;*
- (xvii) the institution of any proceedings for the winding-up, reorganization or dissolution of the Corporation;*
- (xviii) the amalgamation or merger with or into any other corporation;*
- (xix) any expenditure greater than or equal to Twenty-Five Thousand (\$25,000.00) Dollars;*
- (xx) enter into any contracts, agreements or commitments with any insurance company;*

-14-

- (xxi) hiring and dismissal of employees;*
- (xxii) contract with Shareholders or their relatives;*
- (xxiii) except as otherwise provided for herein, the fixing, paying or changing of any salary, bonus or fee of any director, officer of the Corporation or of either Schaller and Iersel;*
- (xxiv) except as otherwise provided for herein, the approval of all salaries and service contracts;*
- (xxv) borrowing of any money;*
- (xxvi) commencement of legal proceedings;*
- (xxvii) declaration of bonuses;*
- (xxviii) any action or transaction not in the ordinary course of business of the Corporation; and*
- (xxix) cause or permit a subsidiary to undertake any of the acts set out in paragraphs (a) to (xxviii) above.*

35. The shareholders contracts all contained the following provisions regarding shareholder loans:

5.9. All Shareholder loans to, or from, the Corporation shall be payable at 10% interest only unless otherwise agreed upon in writing. All loan interest shall be payable monthly unless otherwise agreed upon.

36. Paragraphs 4 and 5.9 of the shareholder contracts clarified and formalized the existing agreement between the parties.

37. Despite executing the shareholders contracts, Schaller's behaviour continued its negative trend with him.

- (a) A lawsuit was initiated by the former controller Kathryn Harrison claiming, inter alia, abuse by Schaller. Right before the trial True North's lawyer received a copy

-15-

of recent text messages sent from Schaller to Kathryn. The text message said “see you in court and I’m also bringing a \$250,000.00 judgment against you and your filthy mouth”, “bye Felisha”, “You should be careful who you blab your filthy mouth too. I won’t stop until I bankrupt your entire family”, “p.s. everything has been operating smooth since you were fired”, then followed by laughing emoji’s. This behaviour was erratic and unprofessional, it also cost us a significant sum of money as we had to settle after this was presented.

- (b) In March of 2021, Schaller received a call from the City of Cambridge Property Standards Office about 51 Main Street exterior work he had done with 2767889. Schaller was not happy with the phone call and he threatened to burn down the bylaw officer’s house and to buy the next-door house to his so he could make his life hell with loud parties and threatening property damage and harassment, also threatened to sue him. Because Schaller had previous harassment charges for harassing Waterloo Regional Police officers, he was arrested for uttering threats and harassment. This resulted in TNCC being stopped for three (3) months from opening additional stores, and left paying mortgages or rent for vacant stores.
- (c) In June 2021, TNCC was granted permission to open additional stores, however, there was a condition placed upon us by the Alcohol and Gaming Commission of Ontario, that Schaller could not enter any TNCC stores beyond his duties as a landlord and for construction prior to stores opening. A review was requested in January 2023 but the AGCO did not remove the conditions because they believed

-16-

Schaller was still not an appropriate candidate to participate in the Cannabis business.

- (d) In 2023, Schaller applied to Health Canada for security clearance so that he could work at Galaxie in a management role. He was denied.
- (e) Schaller applied for a Pardon regarding his Criminal Charges but was denied.
- (f) Schaller has repeatedly threatened to sabotage all the businesses.
- (g) Schaller stated on Tuesday April 9 that Van Iersel could not come after him for sabotaging True North because it is in Hapanovich's business, not his.
- (h) Schaller has stated that he doesn't care if the taxes get paid, Galaxie owes \$2.7 million in excess taxes, which amount is climbing weekly. True North owes over \$500,000.00 in HST arrears. 2767888 is \$100,000.00 behind in HST.
- (i) Hapanovich and Schaller are demanding dual signatures required to move money between any company owned by any of the parties. This is problematic to all businesses as Van Iersel is the primary lender/investor in all the businesses with over 25 million dollars invested:
 - i. many of these businesses require cash injections regularly that come from Van Iersel's credit line and are, paid back within days as often as Van Iersel need the credit line for other than non-associated businesses;

-17-

- ii. Hapanovich and Schaller do not have any significant money invested into these companies;
 - iii. Money is moved around between businesses, significant often on a daily basis to ensure bills are paid in all the businesses. If Van Iersel is not able to move money around without the authorization of Hapanovich or Schaller, any the money put into the business will be held hostage by Hapanovich and Schaller as they have threatened to stop us from moving any money back to his credit line or make interest payments on that company line obligations including, inter alia, payroll obligations, mortgage payments, CRA payment schedule payments for True North, will be in jeopardy if this change is authorized to require dual signatures.
- (j) Schaller continues to hire people at Galaxie without the consent of MacDonald or Van Iersel and taking on debts or contracts without consent or regard for its ability to pay the costs, putting the company at risk of financial ruin.
- (k) Currently, Schaller is blocking MacDonald and Van Iersel from Galaxie by threatening to embarrass them and/or refusing to work if they show up to work there. Schaller refuses to communicate any information of the business operations to MacDonald and Van Iersel.

-18-

- (l) Schaller has indicated Van Iersel and MacDonald are only welcome to join finance meetings and nothing else or he will interfere with the business and cause things to shut down.
- (m) In July 2023, Hapanovich and Schaller were renting a house that Van Iersel had found for them as their realtor. Van Iersel gave them a great personal reference to get approved for the home. In July 2023, Hapanovich and Schaller wanted to move out early while breaking their lease. The landlord expressed their disagreement with early termination, so Schaller threatened to damage the house before they move by allowing their nephew have a big party and have them trash the house.
- (n) Schaller hired a staff at Galaxie in August 2023 at a salary of \$80,000.00 that the employee asked for. In January 2024, when this staff's employment was terminated, it was discovered that Schaller had given this staff a \$30,000.00 pay raise and a \$5,000.00 vehicle allowance for a staff that didn't drive for work at all.
- (o) In November 2023, when Galaxie had lost over \$200,000.00 the previous month, Schaller handed out eight (8) raises to employees without consent of MacDonald or Van Iersel.
- (p) Schaller's response to credit card bills of \$219,000.00 is to pay minimum and incur 28% interest, which the business definitely cannot afford.
- (q) Between the summer and now Schaller improperly used \$137,000.00 of business monies for personal expenses including Schaller spending over \$10,000.00 in one

-19-

evening at a strip club and \$6,000.00 on dinner in November 2023 and refuses to repay.

- (r) Schaller gave away Van Iersel's and MacDonald's office at Galaxie to another staff, and threatened to embarrass Van Iersel in front of all the staff if he showed up there.
- (s) Schaller advised Van Iersel over text that sounded like he would sabotage all the businesses.
- (t) On March 26, 2024, Schaller sent Van Iersel a voice text that he deleted after Van Iersel listened to it, stating "I don't care if we are broke, I don't care if we don't make payroll, I'm going to sabotage everything", "I'm going to call your ex-wife and I'm going to call the AGCO and burn the house down" meaning the businesses.
- (u) On April 9, Schaller cleared out the Jax Jungle bank account the day before payroll was due. He used the \$21,000.00 to pay for his life insurance policy.
- (v) On April 11, 2024, it was brought to Van Iersel's attention that a TNCC employee, who doesn't drive as part of their job, had been given a gas card, without permission of Van Iersel.
- (w) On April 12, 2024, it was brought to the attention of Van Iersel and MacDonald that Schaller had fired eight (8) staff members, after threatening the previous week that he was going to fire all the staff. He further stated that five (5) more staff

-20-

members will be let go the following week. One of the staff members is a good friend of MacDonald who was an excellent employee.

- (x) On April 16, 2024 Van Iersel found out that Schaller owed 10003 \$28,750.00 for paying off his credit card last April and also found out that Schaller owes Galaxie \$19,000.00 for paying off his credit card for 2024. Van Iersel asked Schaller what the plan was for paying these things back. Schaller then messaged Van Iersel and stated that “I’m done with you and your bullshit, you have 37 days to figure it out. I’m shot gunning you.”
- (y) On Tuesday April 12th, 2024, Schaller texted Van Iersel “good job on the shareholders agreement, I don’t need to cover any shareholder loans lol.” Schaller also stated the same thing on April 9 at the office “I’m not paying any shareholder loans back to you, it doesn’t state I have to in the shareholder agreements and you cheaped out doing them yourself, that’s why you are grasping trying to get me to sign a promissory note because your lawyer told you to. I don’t give a shit about anything else and don’t care if we pay our bills.”
- (z) On April 17, 2024, Schaller cleared out his own office at 697 Coronation Blvd Cambridge and went into my office and took all the minute books for 2767888, 2767889, Bamboo Blaze, and Jax Jungle Inc.
- (aa) In connection with his threats to destroy the companies, Schaller has repeatedly stated he didn’t care if they made payroll. Galaxie payroll is due next Wednesday

-21-

April 24, 2024. It currently has \$812,000 in the bank with no significant influx expected. Payroll is \$190,000 approximately and accounts payable is over 1.8 million currently. The only way Galaxie will avoid defaulting on payroll and a/p is via a cash injection by Van Iersel. Schaller's concurrent actions to require two signatures to repay shareholder loans and boasts that he will not repay any shareholder loans causes concerns. True North has \$804,000 in the bank with \$380,000 in payroll coming out on Wednesday, \$1,017,000 in inventory purchases weekly, \$200,000 in credit card payments due on the 25th of the month, HST payment plan installment of \$120,000 on the 22nd, \$100,000 HST due in 8 days, and other operating expenses of about \$75,000.

38. Schaller has unilaterally advised a potential buyer of True North that it is no longer for sale, potentially fouling a deal as well as putting True North's Alcohol and Gaming Commission of Ontario license at risk as he is forbidden to have anything to do with True North as a condition of the license.

39. Van Iersel does not take either Schaller's actions or threats lightly. Schaller has a history of aggressive behaviour when displeased, not only against staff of the companies, but also public officials, including threats and harassment against Waterloo Regional Police Service officers, threatening to burn down a Cambridge by-law officers home and threatening to damage a rental house if not let out of the lease.

-22-

40. Schaller's actions and threatened actions are both breaches of the shareholders contracts and an oppression of Vancor's reasonable expectations as a shareholder.

41. Schaller's actions and threatened actions put both Van Iersel's loans and shareholdings at risk.

42. Schaller's actions and threatened actions are a breach of Schaller's fiduciary duties to the companies and to Van Iersel.

43. Schaller's actions and threatened actions are supported by Hapanovich.

44. The Plaintiffs plead and rely upon the Business Corporations Act of Ontario.

April 23, 2024

**LOWES, SALMON, GADBOIS &
CLARKE**

Dutton Professional Centre
500 Dutton Drive
Waterloo ON N2L 4C6

Steven D. Gadbois (LSO# 34090L)

Tel: 519-884-0800 ext. 225

Fax: 519-884-1026

E: sgadbois@watlaw.ca

Lawyers for the Plaintiffs

RCP-E 14A (June 9, 2014)

VANCOR GROUP INC. et al.

Plaintiffs

-and- 2744364 ONTARIO LIMITED, c.o.b. as TRUE NORTH
CANNABIS et al.
Defendants

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
WATERLOO REGION

STATEMENT OF CLAIM

LOWES, SALMON, GADBOIS & CLARKE
Dutton Professional Centre
500 Dutton Drive
Waterloo ON N2L 4C6

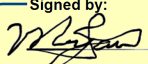
Steven D. Gadbois (LSO# 34090L)
Tel: 519-884-0800 ext. 225
Fax: 519-884-1026E: sgadbois@watlaw.ca

Lawyers for the Plaintiffs

File Number: 12131

RCP-F 4C (September 1, 2020)

This is Exhibit “U” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

Court File No. CV-24-00000669-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

**VANCOR GROUP INC., VANGAR PROPERTIES INC., CORNELIUS VAN
IERSEL, CORRY VAN IERSEL, and REBECCA MACDONALD**

Plaintiffs

- and -

**2744364 ONTARIO LIMITED, c.o.b. as TRUE NORTH CANNABIS CO.,
2767888 ONTARIO INC., 2767889 ONTARIO INC., 1000370759 ONTARIO
INC., 2668905 ONTARIO INC. o/a BAMBOO BLAZE, KENNETH
SCHALLER, also known as KEN SCHALLER, DUSTIN LINDHORST,
ALENA HAPANOVICH, GALAXIE BRANDS CORPORATION, VANCOR
MANAGEMENT INC., JAX JUNGLE PLAY INC. and GARAS FAMILY
HOLDINGS INC.**

Defendants

**STATEMENT OF DEFENCE AND COUNTERCLAIM OF THE DEFENDANTS,
2744364 ONTARIO LIMITED, c.o.b. as TRUE NORTH CANNABIS CO.,
2767888 ONTARIO INC., 2767889 ONTARIO INC., 1000370759 ONTARIO INC.,
2668905 ONTARIO INC. o/a BAMBOO BLAZE, KENNETH SCHALLER, also known as
KEN SCHALLER, DUSTIN LINDHORST, ALENA HAPANOVICH, GALAXIE
BRANDS CORPORATION, VANCOR MANAGEMENT INC., and
JAX JUNGLE PLAY INC.**

1. The Defendants, 2744364 Ontario Limited, c.o.b. as True North Cannabis Co. (hereinafter “**True North**”), 2767888 Ontario Inc. (hereinafter “**888 Inc.**”), 2767889 Ontario Inc. (hereinafter “**889 Inc.**”), 1000370759 Ontario Inc. (hereinafter “**759 Inc.**”), 2668905 Ontario Inc. o/a Bamboo Blaze (hereinafter “**Bamboo Blaze**”), Kenneth Schaller, also known as Ken Schaller (hereinafter “**Schaller**”), Dustin Lindhorst (hereinafter “**Lindhorst**”), Alena Hapanovich (hereinafter “**Hapanovich**”), Galaxie Brands Corporation (hereinafter “**Galaxie**”), Vancor Management Inc. (hereinafter “**Vancor Management**”), and Jax Jungle Play Inc. (hereinafter “**Jax Jungle**”) (hereinafter collectively referred to as the “**Defendants**”) deny each and every allegation contained in the Statement of Claim, save

and except as expressly admitted herein, and deny that the Plaintiffs are entitled to the relief claimed therein.

The Parties

2. The Plaintiff, Vancor Group Inc., is a corporation incorporated pursuant to the laws of the province of Ontario (hereinafter “**Vancor Group**”).
3. The Plaintiff, Vangar Properties Inc., is a corporation incorporated pursuant to the laws of the province of Ontario (hereinafter “**Vangar Properties**”).
4. The Plaintiff, Corry Van Iersel, is an individual residing in the city of Cambridge, in the province of Ontario (hereinafter “**Van Iersel**”).
5. The Plaintiff, Cornelius Van Iersel, is an individual residing in the city of Cambridge, in the province of Ontario (hereinafter “**Cornelius**”). Cornelius is Van Iersel’s father and has no involvement in any of the corporate Defendants herein, other than owning 51% of the shares of 1000460404 Ontario Inc., a corporation not a party to this Action (hereinafter “**404 Inc.**”), which owns 45% of 759 Inc. Cornelius is holding these shares for the benefit of Van Iersel.
6. The Plaintiff, Rebecca MacDonald, is an individual residing in the city of Cambridge, in the province of Ontario (hereinafter “**MacDonald**”). MacDonald is Van Iersel’s common law spouse. MacDonald has little to no involvement in any of the corporate Defendants herein, other than owning 49% of 404 Inc. which owns 45% of 759 Inc. Macdonald is also holding these shares for the benefit of Van Iersel.
7. True North is a corporation incorporated pursuant to the laws of the province of Ontario. Hapanovich and Van Iersel are the directors of True North.

8. 888 Inc. is a corporation incorporated pursuant to the laws of the province of Ontario. Schaller and Van Iersel are the directors of 888 Inc. 888 Inc. operates as a holding company which owns 40 properties.
9. 889 Inc. is a corporation incorporated pursuant to the laws of the province of Ontario. Schaller and Van Iersel are the directors of 889 Inc. 889 Inc. operates as a construction company that works on properties owned or leased by 888 Inc.
10. 759 Inc. is a corporation incorporated pursuant to the laws of the province of Ontario and owns 100% of the shares in Galaxie. Lindhorst is the sole director of 759 Inc.
11. Bamboo Blaze is a corporation incorporated pursuant to the laws of the province of Ontario. Schaller and Van Iersel are the directors of Bamboo Blaze.
12. Galaxie is a corporation incorporated pursuant to the laws of the province of Ontario. Lindhorst is the sole director of Galaxie. Galaxie is a Licensed Producer under the *Cannabis Act* and operates as a manufacturer, producer, packager and a marketer of cannabis.
13. Vancor Management is a corporation incorporated pursuant to the laws of the province of Ontario. Schaller and Van Iersel are the directors of Vancor Management. Vancor Management operates as the property management company for the properties owned by Vancor.
14. Jax Jungle is a corporation incorporated pursuant to the laws of the province of Ontario. Schaller and Van Iersel are the directors of Jax Jungle.

15. Lindhorst is an individual residing in the city of Hamilton, in the province of Ontario. Lindhorst is the general manager of Galaxie and oversees its day-to-day operations.
16. Schaller and Hapanovich, are individuals residing in the town of Puslinch, in the province of Ontario. Schaller and Hapanovich are common law spouses. Schaller owns 50% of the shares in each of 889 Inc., Bamboo Blaze, Vancor Management and Jax Jungle and 30% of the shares in 888 Inc. Hapanovich owns 50% of the shares in True North.

Background

17. Between 2013 and early 2020, Schaller retained Van Iersel as a realtor to purchase several residential and commercial properties.
18. In or around July 2020, Van Iersel was interested in working with Schaller on a high rise construction project that Schaller was developing. At this time, Van Iersel had proposed that they purchase real estate together.
19. In and around July 2020, Schaller had shared with Van Iersel that he was in the process of obtaining certain licenses to open cannabis retail stores and would be converting properties that he already owned to build out said cannabis retail stores. Van Iersel was excited and intrigued by the idea and together they agreed to purchase commercial properties together with the intention of building out cannabis retail stores.
20. To start, Schaller contributed nine properties that he owned for the initial cannabis retail stores and Van Iersel provided funds to purchase further properties.
21. Contrary to the allegations set out at paragraphs 28 and 29 of the Statement of Claim, it was always Schaller's and Van Iersel's intention to open as many cannabis retail stores as

possible (75 is the maximum in Ontario). In fact, in and around November 2020, Schaller and Van Iersel went on a five day road trip across Ontario and purchased 25 additional properties for their cannabis retail stores. At all material times, Van Iersel was never forced into purchasing properties to build out cannabis retail stores, in fact, after the first few stores were built, it was Van Iersel's idea to refinance several of their buildings to reinvest in further property purchases.

22. In or around January 2023, after opening 50 cannabis retail stores, Schaller and Van Iersel made the decision to acquire Galaxie (previously operating as Green Relief Inc.). At all material times, Galaxie was, and currently is, a Licensed Producer, meaning the corporation has the ability to grow, process, and/or sell cannabis under the *Cannabis Act*. Schaller and Van Iersel were not interested in growing cannabis but intended to expand the processing and sales operations.
23. As of the date herein, Galaxie supplies 16% of the cannabis products sold in all True North retail stores.
24. Across all businesses, Van Iersel is not involved in any of the day-to-day operations but was always aware of all decisions that were being made, specifically any that were financial in nature. In fact, Schaller is involved in all of the businesses and has developed systems to ensure the businesses' continued success.
25. Van Iersel was, and continues to be, in control of all finances, and his approval was (and is) always required before any major purchases were made, payments issued, or reimbursements paid to any executives in the businesses.

26. To date, the businesses are profitable and earning substantial profits, save and except for Galaxie. Galaxie is a newer venture and is presently operating at a loss; however, it is anticipated that Galaxie will turn a profit by the end of the year.

Breakdown in Partnership

27. Over the last three years, Van Iersel has been going through a messy divorce proceeding with his ex-wife and it is understood by the Defendants that Van Iersel owes his ex-wife approximately \$14,000,000.
28. In light of the amounts that Van Iersel owes to his ex-wife, Van Iersel began to take steps to better secure his interests in the various corporate Defendants.
29. In or around May 2023, Van Iersel had approached Schaller to sign promissory notes to secure loans that were advanced by Vancor Group. At the time, Schaller had expressed his willingness to sign promissory notes on the basis that there either be an open term or at least a payment date significantly into the future to ensure that Galaxie was profitable. Van Iersel was unwilling to comply with Schaller's request.
30. Contrary to the allegations made at paragraph 23 of the Statement of Claim, Schaller expressly denies signing the alleged promissory notes in the amounts of \$2,200,000 and \$2,756,000.
31. In or around January 2024, Van Iersel approached Schaller to execute a series of Shareholder Agreements, as they had been operating on handshake deals from the start of their business relationship.

32. The Shareholder Agreements were drafted by Van Iersel and appear to be similar, if not identical, aside from changing the names of the parties and any financial figures. The Defendants rely on the legal principle of *contra proferentem*.
33. In the spring of 2024, the relationship between Schaller and Van Iersel broke down. Since then, both parties have threatened to exercise the shotgun provisions as set out in the Shareholder Agreements but nothing has come to fruition.
34. In or around the time that the relationship between Schaller and Van Iersel broke down, Schaller had requested that there be dual signing requirements on all corporate bank accounts. There was a concern that Van Iersel would improperly transfer funds out of the corporations, without Schaller's consent, as Van Iersel had a history of improperly transferring funds out of the corporations. The purpose of adding dual signing requirements would be to ensure that both Schaller and Van Iersel would remain in the loop for any payments and/or transfers in excess of \$10,000. This request was shot down by Van Iersel.
35. Contrary to the allegations made at paragraph 37 of the Statement of Claim:
 - a. Schaller never threatened to burn down a by-law officer's house or buy the house next-door to his so he could "make his life hell" with loud parties and threatening property damage and harassment. Schaller expressly denies these allegations and puts the Plaintiffs to the strict proof thereof. In fact, any and all charges had been withdrawn. In addition, True North was not stopped for any period of time because of the allegations made against Schaller. The reality is that said the stores were not in a position to open.

- b. At no point in time did the Alcohol and Gaming Commission of Ontario (hereinafter the “AGCO”) determine Schaller to not be “an appropriate candidate to participate in the cannabis business”. Conditions were put in place against Schaller; however, he has since filed submissions to have the conditions removed and is awaiting a response from the AGCO;
- c. Schaller has applied to Health Canada for security clearance; however, he has not received a response as of yet. Schaller’s application was not denied;
- d. Schaller has applied to have any criminal charges against him expunged and is awaiting the decision regarding same. Schaller’s application was not denied;
- e. At all materials times, Schaller has never threatened to sabotage True North, or any of the corporate Defendants herein;
- f. Schaller has never endorsed taxes to not be paid; in fact, the only reason True North owes \$500,000 in HST arrears or 888 Inc. owes \$100,000 in HST arrears is a direct result of Van Iersel. Van Iersel had sole control of True North’s and 888 Inc.’s finances and permitted HST to not be paid;
- g. Schaller requested dual signatures on all banking to ensure transparency for all parties;
- h. Schaller has hired employees to ensure the continued success of the businesses and their smooth operation. MacDonald has never been involved in the hiring process of any employees;
- i. Schaller has never blocked MacDonald or Van Iersel from Galaxie. In the past, given MacDonald’s and Van Iersel’s lack of experience with the cannabis industry, they have interfered with the Galaxie operations which created additional costs and inefficiencies and they were asked to not interfere without conferring with Schaller. MacDonald and

Van Iersel have always been encouraged to attend at all financial meetings; however, MacDonald has refused to attend;

- j. Schaller never threatened to damage the home that he and Hapanovich were renting in July 2023 and puts the Plaintiffs to the strict proof thereof;
- k. Insignificant raises were provided to Galaxie employees as a result of the staff being downsized. Downsizing was caused as a result of the implementation of substantial automation in the operations. The alleged raises ranged from \$1 to \$3 per hour per employee.
- l. Schaller has only recommended paying the minimum of a credit card bill when there was a cash flow bubble and there was an influx of cash expected within 7 days.
- m. Schaller has not used any business monies to pay for personal expenses. In fact, the alleged strip club expenses were not incurred by Schaller. The alleged dinner costs were related to a business meeting where approximately 9 people were in attendance, including Van Iersel.
- n. Van Iersel's office was never given away, rather it was used by an employee who attended at the Galaxie office once a week. Since Van Iersel rarely attended at the Galaxie office and there was limited space, the employee was instructed to use Van Iersel's space where there are no personal belongings or effects;
- o. At no point in time has Schaller cleared out the Jax Jungle account; payroll has always been made;
- p. Van Iersel was always aware that a True North employee had received a gas card. In fact, the gas card had been used by the same employee for three years and Van Iersel had authorized the card to be paid. Van Iersel was also present at financial meetings

where the gas card was discussed;

- q. Schaller did not recklessly fire Galaxie employees. In fact, Schaller, Lindhorst and Van Iersel reviewed all employees and scored each based on their skill, knowledge and ability to operate different machinery that had been implemented into the operations. MacDonald's friend was one of the least qualified employees and a joint decision was made to release MacDonald's friend. Van Iersel was at all material times aware of the decision;
 - r. Schaller cleared out his office at 697 Coronation Blvd. in Cambridge and removed all the minute books only because Schaller had stopped visiting the office regularly; and
 - s. Schaller has never stated that he did not care to make payroll.
36. Contrary to paragraph 38 of the Statement of Claim, Schaller did not intentionally foul a sale to a potential buyer.
37. Schaller expressly denies that his alleged actions or alleged threatened actions are breaches of the Shareholder Agreements and further denies that Vancor Group has been oppressed as alleged at paragraph 40 of the Statement of Claim. Schaller states that the Plaintiffs have failed to plead any facts to support any allegation that Vancor Group has been oppressed and puts Vancor Group to the strict proof thereof.
38. Schaller expressly denies that his alleged actions and alleged threatened actions put both Van Iersel's loans and shareholdings at risk as alleged at paragraph 41 of the Statement of Claim. The Plaintiffs have failed to plead any facts to support how the alleged actions and/or threatened actions, which are not admitted but expressly denied, would have any impact on the loans and the shareholdings at risk.

39. Schaller expressly denies that his alleged actions or alleged threatened actions are a breach of his fiduciary duties to the businesses and Van Iersel.
40. The claims made as against Schaller have been made without foundation in fact or evidence. The spurious, reckless and bald allegations that have been asserted against Schaller in the Statement of Claim have been made for the primary purpose of smearing Schaller's character and reputation.
41. The Defendants expressly deny that the Plaintiffs are entitled to costs on a higher scale and put the Plaintiffs to the strict proof thereof.
42. The Defendants plead that the Plaintiffs have not suffered any damages as alleged in the Statement of Claim and puts the Plaintiffs to the strict proof thereof.
43. In the alternative, if the Plaintiffs have suffered any damages, which is not admitted, and is expressly denied, the alleged damages are excessive and/or remote. In the further alternative, the Defendants further plead that the Plaintiffs have failed to mitigate their damages.
44. The Defendants plead that Hapanovich and Lindhorst have been improperly named in this proceeding. The Plaintiffs have failed to plead any tenable causes of action, or any facts to support the inclusion of Hapanovich and Lindhorst in this proceeding. The Defendants further plead that the inclusion of Hapanovich and Lindhorst in this proceeding is to create pressure on Schaller by attacking people who are close to him and disrupting the operations of the business.

45. The Defendants request that the Plaintiffs' claim against them be dismissed with costs on a substantial indemnity basis.

COUNTERCLAIM

46. The Defendants claim as against the Plaintiffs as follows:
- a. A declaration that the powers of Van Iersel as a director of True North, 888 Inc., 889 Inc., Bamboo Blaze, and Jax Jungle (hereinafter the "**Corporations**") have been exercised in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of the Defendants, or either one of them;
 - b. An interim, interlocutory and permanent injunction restraining the Plaintiffs, together with their employees, agents, assigns and any other persons acting on their behalf or in conjunction with them, and any and all persons with notice of the order sought herein, pending satisfaction of any judgment granted herein from, directly or indirectly, by any means whatsoever, selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with their assets, whether solely or jointly owned, wherever situated, including, without limitation, any funds received directly or indirectly from the diversion of funds from the Corporations' business(es), and any charges registered and/or any assets that were purchased with such funds, including any and all accounts into which funds from the Corporations may be traced or to which such funds have been transferred;
 - c. An interim and permanent Order restraining the Plaintiffs (or either one of them) from:
 - i. Unilaterally making material decisions with respect to the Corporations;
 - ii. Selling or otherwise disposing of all or substantially all of the assests or

- undertakings of the Corporations;
 - iii. Amending or repealing existing by-laws or enacting a new by-law or by-laws;
 - iv. Paying dividends, bonuses, salaries, or distributing assets of the Corporations;
 - v. Acquiring or disposing of other business including the merger, amalgamation, or consolidation with other businesses;
 - vi. Purchasing, selling, mortgaging, or leasing land;
 - vii. Making any loans or guaranteeing any debts;
 - viii. Entering into any contract which will take more than one year to perform;
 - ix. Making an amendment to the current provisions of signing authority on behalf of the Corporations;
 - x. Making any material change in the nature of the Corporations' business(es).
- d. A declaration and judgment that the Plaintiffs, or either one of them, has misappropriated assets belonging to the Corporations and/or the Defendants;
- e. A declaration and judgment that any and all amounts received by the Corporations constitutes monies of a trust funds for the use and benefit of the Defendants, or either one of them, and a declaration that the Plaintiffs, or either one of them, have breached the aforesaid trust and is/are liable for any and all breaches of the trust; and an account of all trust funds received and disbursed by the Plaintiffs and a following, tracing, and restitution of any and all sums improperly transferred by the Plaintiffs, or either one of them;
- f. A declaration that the Plaintiffs are in breach of the trust and in the event that they, or either one of them, becomes bankrupt, any judgment obtained against them shall not be released by discharge of the bankrupt from bankruptcy;

- g. A declaration that Van Iersel has breached duties owed by him as an officer and director of the corporations to the Plaintiffs, or either one of them;
- h. A declaration that Van Iersel, as a director of the Corporations, has failed in the following ways to exercise his duties: (i) to act in good faith; (ii) that he failed to act in the best interests of the Corporations; (iii) that he failed to act honestly; (iv) the he failed to avoid conflicts of interest; (v) that he breached his duty of care and fiduciary duty to the Corporations by not acting honestly and not acting in good faith to the best interests of the Corporations;
- i. An order entitling the Defendant to an equitable tracing of all funds into the assets, property and interests of the Plaintiffs, or either one of them;
- j. In the alternative, or in addition to, the appointment of a receiver (or alternatively, an inspector) pursuant to section 101 of the Courts of Justice Act with full power to investigate all matters pertaining to the business of the Corporations, as set out herein, including powers to investigate the whereabouts of funds and assets, to compel the production of documents and examine third parties, and full power to hold and preserve funds or assets once ascertained pending further order of the Court;
- k. Damages in the amount to be particularized prior to trial for breach of duty to act in good faith, breach of fiduciary duty, and conversion;
- l. In the further alternative, damages in the amount to be particularized prior to trial for unjust enrichment;
- m. Damages in an amount to be particularized prior to trial for aggravated, exemplary, and punitive damages;
- n. An accounting and disgorgement of profits taken by the Plaintiffs, or either one of

- them, in amounts to be determined at trial;
- o. An Order granting the Defendant, or either one of them, leave to commence a derivative action in the name of the Corporations as against Van Iersel;
 - p. An Order authorizing the Schaller or Hapanovich or Lindhorst to control the conduct of the derivative action for which leave is being sought;
 - q. An Order that reasonable fees and disbursements of the Corporations in prosecuting the derivative action be paid by the Corporations;
 - r. An Order to appoint a director in place of, and/or, removing Van Iersel as a director of any of the Corporations;
 - s. Pre-judgment and post-judgment interest in accordance with the *Courts of Justice Act*, R.S.O., 1990, c. C. 43, as amended;
 - t. Costs of this proceeding, plus all applicable taxes thereon; and
 - u. Such further and other relief that this Honourable Court may deem just.
47. The Defendants repeat and rely on the allegations in the Statement of Defence in support of the Counterclaim.
48. With respect to the promissory notes that the Plaintiffs alleged Schaller signed, it is well known that Van Iersel had access to several email accounts, including Schaller's, and therefore had the capability of doctoring and/or signing documents on Schaller's behalf, without Schaller's knowledge and/or permission.
49. Van Iersel has unreasonably stopped all payments to Schaller and has cut Hapanovich's pay in half. Despite requests made, Van Iersel has failed to provide any substantial reasons for cutting all payments to Schaller.

50. Van Iersel has unreasonably, and without conferring with either of the Defendants, transferred monies between the Corporations and himself personally.
51. Van Iersel has failed to pay HST, bills and other obligations on behalf of the Corporations, and has instead paid monies to himself personally. In the alternative, Van Iersel has paid monies to members in his family. Van Iersel has put himself before the Corporations at the detriment of the Corporations and by extension the shareholders.
52. As a result of Van Iersel's refusal to pay Schaller and his failure to pay HST and other outstanding bills/obligations and instead transfer funds to himself and his corporations, the Defendants plead that Van Iersel or any of the Plaintiffs have been unjustly enriched to the detriment of the Defendants. The Defendants plead that there is no juristic reason for the enrichment.
53. In addition, Van Iersel has also refused to pay Schaller's interest on his line of credit. Schaller had used \$210,000 on his line of credit in November 2021 and at this time, Van Iersel had agreed to reimburse the interest to Schaller. Schaller has yet to receive any interest payments from Van Iersel despite requests for same.
54. The Defendants plead that Van Iersel has exercised his powers as a director of the Corporations, in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests and reasonable expectation of the Defendants.
55. As a director of the Corporations, Schaller, Hapanovich and Lindhorst each reasonably expected that they would be involved in the decision-making process of the Corporations,

including but not limited to making decisions regarding capital expenditures and transfers within the Corporations in order to be kept apprised of the business affairs of the Corporations.

56. The Defendants plead that Van Iersel has made unilateral business and governance decisions without consulting Schaller, Hapanovich or Lindhorst and removed their ability to access the Corporations' bank accounts, including their ability to withdraw funds. Each of these actions are oppressive, or unfairly prejudicial to, or unfairly disregarded the interests of Schaller, Hapanovich and Lindhorst.
57. The Defendants plead that Van Iersel owed the Corporations statutory, fiduciary, and common law duties arising out of his position as an officer and director of the Corporations.
58. The Defendants plead that, as a director and officer of the Corporations, at all material times Van Iersel owed a statutory, fiduciary, and common law duties to the Corporation and by extension to Schaller, Hapanovich, and Lindhorst including, but not limited to:
 - a. A duty to act honestly and in good faith with a view to the best interest of the Corporations pursuant to s. 134 of the OBCA;
 - b. A duty not to act in a conflict of interest;
 - c. A duty not to act for his own benefit at the expense of the Corporations;
 - d. A duty to account to the Corporations; and
 - e. A duty not to appropriate the Corporations' assets, amongst others.
59. The Defendants plead that Van Iersel breached all of the above-noted duties which has caused the Corporations to suffer damages.

60. The Defendants have suffered, and continue to suffer, damages as a result of the conduct of the Plaintiffs/Defendants by Counterclaim. The damages will be particularized prior to trial.

61. The Defendants propose that the Counterclaim be heard with the Main Action.

DATE: July 5, 2024

MPG LAW PROFESSIONAL CORPORATION

25 Mill Street North, P.O. Box 770

Waterdown, ON L0R 2H0

MATHEW GLOWACKI (LSO#77984S)

mglowacki@mpglaw.ca

Tel: 905-512-4711

Lawyers for the Defendants/Plaintiffs by
Counterclaim,

2744364 Ontario Limited, C.O.B. as True North
Cannabis Co., 2767888 Ontario Inc., 2767889
Ontario Inc., 1000370759 Ontario Inc., 2668905
Ontario Inc. o/a Bamboo Blaze, Kenneth Schaller,
also known as Ken Schaller, Dustin Lindhorst, Alena
Hapanovich, Galaxie Brands Corporation, Vancor
Management Inc., and Jax Jungle Play Inc.

TO: LOWES, SALMON, GADBOIS & CLARKE

Dutton Professional Centre

500 Dutton Drive

Waterloo, ON N2L 4C6

STEVEN D. GADBOIS (LSO#34090L)

sgadbois@watlaw.ca

Tel: 1-519-884-0800 ext. 225

Lawyers for the Plaintiffs/Defendants by Counterclaim

AND TO: GARAS FAMILY HOLDINGS INC.

c/o Smith, Valeriotte

245 Hanlon Creek Blvd, Unit 102

Guelph, ON N1C 0A1

VANCOR GROUP INC. et al.
Plaintiffs

v.

SCHALLER et al.
Defendants

Court File No.: CV-24-00000669-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
KITCHENER

**STATEMENT OF DEFENCE AND
COUNTERCLAIM**


MPG LAW PROFESSIONAL CORPORATION
25 Mill Street North, P.O. Box 770
Waterdown, Ontario L0R 2H0

Mathew Glowacki (LSO#77984S)
mglowacki@mpglaw.ca

Tel: (905) 512-4711

Lawyers for the Defendants/Plaintiffs by
Counterclaim,
2744364 Ontario Limited, C.O.B. as True North
Cannabis Co., 2767888 Ontario Inc., 2767889 Ontario
Inc., 1000370759 Ontario Inc., 2668905 Ontario Inc.
o/a Bamboo Blaze, Kenneth Schaller, also known as
Ken Schaller, Dustin Lindhorst, Alena Hapanovich,
Galaxie Brands Corporation, Vancor Management
Inc., and Jax Jungle Play Inc.

This is Exhibit “V” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

Court File No. 24-00000669-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

VANCOR GROUP INC., VANGAR PROPERTIES INC., CORNELIUS VAN
IERSEL, CORRY VAN IERSEL and REBECCA MACDONALD

Plaintiffs

and

2744364 ONTARIO LIMITED, c.o.b. as TRUE NORTH CANNABIS CO.,
2767888 ONTARIO INC., 2767889 ONTARIO INC., 1000370759 ONTARIO
INC., 2668905 ONTARIO INC. o/a BAMBOO BLAZE, KENNETH
SCHALLER, also known as KEN SCHALLER, DUSTIN LINDHORST,
ALENA HAPANOVICH, GALAXIE BRANDS CORPORATION, VANCOR
MANAGEMENT INC., JAX JUNGLE PLAY INC. and GARAS FAMILY
HOLDINGS INC.

Defendants

REPLY AND DEFENCE TO COUNTERCLAIM

1. The Plaintiffs, Vancor Group Inc., Vangar Properties Inc., Cornelius Van Iersel, Corry Van Iersel and Rebecca MacDonald (“the Plaintiffs”), admit the allegations contained in paragraphs 2-14, partially 15, and 16 of the Statement of Defence.
2. The Plaintiffs deny the allegations contained in paragraph 15-45 of the Statement of Defence, save and except what is hereinafter specifically admitted.
3. The Plaintiffs state that the Statement of Defence and Counterclaim has only fleeting connections with reality.

-2-

4. Specifically with respect to certain allegations contained in the Statement of Defence, the Plaintiffs states as follows:

5. In respect of paragraph 20, Schaller found himself in financial trouble and in danger of losing many of his properties. To assist Schaller, 888 purchased seven of the failing properties at fair market value.

6. In respect of paragraph 24, Van Iersel gave up a lucrative career in real estate to work full time in the companies. As Schaller is forbidden by it's license to be involved with TNCC, Van Iersel was primarily involved with it as well as handling the financing of the business. Schaller has repeatedly made decisions in Galaxie, 2767889, and Bamboo Blaze without advising and, in many cases, actively hiding them from Van Iersel and MacDonald. Schaller's actions caused the requirement of shareholder contracts, which were designed, inter alia, to stop his actions by requiring decisions to be made jointly. The shareholder contracts were signed in January 2024.

7. Within one month of signing the shareholder contracts, Schaller had secretly signed contracts on behalf of Galaxie with Harnarine Pooran and Deovendra Pooran, which obligated Galaxie to pay a pre-existing \$500,000.00 personal debt of Schaller.

8. Schaller also, as of November 2023, secretly signed Galaxie purchase orders ordering six pre-roller machines at the cost of \$450,000 each and an end of line machine at the cost of over \$500,000. This was not brought to anyone's attention until the supplier called looking for payment and to set up delivery.

-3-

9. As of April 23, 2024, Van Iersel started this action and brought a Motion for an emergency Order to stop Schaller's actions. As of April 26, 2024, Van Iersel received an Order of Gibson J stating:

1. THIS COURT ORDERS an interim interlocutory injunction prohibiting and restraining the Defendants, Schaller and Hapanovich, their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, from directly or indirectly by any means whatsoever taking any steps to deal with the business or a business relating to the Companies, directly or indirectly. including but not restricted to:

1. Communicating with creditors, debtors, suppliers, bankers, agents, governing agencies or authorities, landlords, lenders except via counsel, Ryan Kerr or David Goldberg;

ii. Writing cheques or paying or transferring monies;

iii. Accessing bank or other financial accounts belonging to the Companies in any way except to view;

iv. Instructing, requesting, assisting, counselling, demanding or encouraging any person any of the forbidden activities; and

v. Facilitating, assisting in, or participating in anything the effect of which is to do any of the forbidden activities, except with the written consent of the Plaintiff or pursuant to an Order of this Court.

-4-

2. THIS COURT ORDERS THAT Corry Van Iersel shall have sole authority over the finances and banking of the Defendants, acting reasonably and in the best interests of the Defendant companies. excluding Garas Family Holdings Inc.
3. THIS COURT ORDERS a standstill on the terms above, pending the Motion for interlocutory relief, on the condition that the Plaintiffs will not, without the consent of Garas Family Holdings Inc., take any of the steps listed in paragraph 4.1(g) of the shareholders agreement of 2767888 Ontario Inc. executed on November 5. 2021 and, in particular, will not cause 2767888 Ontario Inc. to purchase, sell, or lease any real property or to borrow or lend money without the consent of Garas Family Holdings Inc.
4. THIS COURT ORDERS THAT the Motion for the interlocutory relief sought by the Plaintiffs shall be adjourned to sine die.
5. THIS COURT ORDERS THAT costs of today's Motion shall be reserved to the Judge presiding at the return of the Motion for the interlocutory relief.
10. Schaller has repeatedly breached the Order of Gibson J, including, but not restricted to:
 - a) negotiating deals with other Licensed Producers to purchase products from them;
 - b) negotiating data deals with retail cannabis stores;

-5-

- c) making purchases on company credit cards in excess of \$5,000.00 without any shareholder approval or knowledge (Alibaba account), and refusing to provide receipts or documentation;
- d) making personal purchases on company credit cards (Alibaba account), and refusing repeatedly to provide receipts or documentation;
- e) threatened that if his personal credit cards were not paid by the company that he would sell off company property and took steps to direct management to prepare for the sale of assets.

11. In respect of paragraph 33, Schaller and Hapanovich made shotgun offers to Van Iersel as of April 22, 2024. Van Iersel advised Schaller and Hapanovich that he would accept, to which Schaller responded the offers were a bluff. Van Iersel has never made any shotgun offer.

12. In respect of paragraph 35, Schaller's application for a pardon from his criminal convictions of assault was desired as of February 2024, with specific reference made to Schaller having been charged with threatening the bylaw officer to destroy their house and harassment charges for harassing the Waterloo Regional Police.

13. Taxes haven't been paid because Schaller has operated mainly Galaxie in such a manner that the businesses have been drained to fund Galaxie and do not have funds to pay. Van Iersel has been left to choose which debts to pay and has paid the most urgent, based on interest amount or verifications of non-payment.

14. Schaller has repeatedly used the company credit card for personal debts, having incurred expenses of in excess of \$100,000.00 since May 1, 2024 for which he refuses to provide receipts.

15. The Plaintiffs repeat and rely upon the allegations contained in their Statement of Claim.

-6-

DEFENCE TO COUNTERCLAIM

16. The Defendants to the Counterclaim admit none of the allegations contained in the paragraphs of the Counterclaim.
17. The Defendants to the Counterclaim repeat and rely on their Statement of Claim and Reply.
18. The Defendants to the Counterclaim ask that the Counterclaim be dismissed with costs.

July 23, 2024

LOWES, SALMON, GADBOIS & CLARKE
Dutton Professional Centre
500 Dutton Drive
Waterloo ON N2L 4C6

Steven D. Gadbois (LSO# 34090L)
Tel: 519-884-0800 ext. 225
Fax: 519-884-1026
E: sgadbois@watlaw.ca

Lawyers for the Plaintiffs,
Vancor Group Inc., Vangar Properties Inc.,
Cornelius Van Iersel, Corry Van Iersel and
Rebecca MacDonald

-7-

TO: **MPG LAW PROFESSIONAL CORPORATION**
25 Mill Street North, PO Box 770
Waterdown, ON L0R 2H0

MATHEW GLOWACKI (LSO#77984S)
Tel: 905-512-4711
E: mglowacki@mpglaw.ca

Lawyers for the Defendants/Plaintiffs by
Counterclaim,
2744364 Ontario Limited, c.o.b. as True North
Cannabis Co., 2767888 Ontario Inc., 2767889
Ontario Inc., 1000370759 Ontario Inc., 2668905
Ontario Inc. o/a Bamboo Blaze, Kenneth Schaller,
also known as Ken Schaller, Dustin Lindhorst, Alena
Hapanovich, Galaxie Brands Corporation, Vancor
Management Inc., and Jax Jungle Play Inc.

AND TO:

SMITH VALERIOTE LAW FIRM LLP
245 Hanlon Creek Boulevard, Unit 102
Guelph, ON N1C 0A1

Ben Grant (LSO#63390O)
Tel: 519-837-2100
E: bgrant@svlaw.ca

Lawyers for the Defendant,
Garas Family Holdings Inc.

RCP-E 27C (July 1, 2007)

VANCOR GROUP INC. et al.
Plaintiffs

-and- VANCOR MANAGEMENT INC. et al.
Defendants

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
WATERLOO REGION

REPLY AND DEFENCE TO COUNTERCLAIM

LOWES, SALMON, GADBOIS & CLARKE
Dutton Professional Centre
500 Dutton Drive
Waterloo ON N2L 4C6

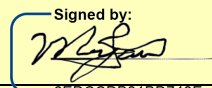
Steven D. Gadbois (LSO# 34090L)
Tel: 519-884-0800 ext. 225
Fax: 519-884-1026E: sgadbois@watlaw.ca

Lawyers for the Plaintiffs, Defendants
By Counterclaim

File Number: 12131

RCP-F 4C (September 1, 2020)

This is Exhibit “W” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel oin the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


6EDCCD921BD748E
Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

Court File No. CV-24-00001414-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:



GARAS FAMILY HOLDINGS INC.

Applicant

- and -

CORRY VAN IERSEL, KENNETH SCHALLER, PICI INVESTMENTS
INCORPORATED, THE VANCOR GROUP INC. and 2767888 ONTARIO INC.

Respondents

APPLICATION UNDER Rule 14.05(3)(d) and (h), and pursuant to ss. 161, 241, and 248 of the
Business Corporations Act.

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made
by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

at the following location:

This Application is to be heard by video conference on **Thursday, September 12, 2024,**
at 10:00 a.m. or as soon after that time as the Application can be heard. The video
conference details will be provided in advance of the hearing by the trial coordinator at the

-2-

civil office at Kitchener, located at 85 Frederick Street, Kitchener, ON N2H 0A7, Tel.: 519-741-3300.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date August 20, 2024

Issued by

Ingrid M
Peters

Digitally signed by Ingrid M
Peters
DN: c=ca, st=on, o=Government
of Ontario, ou=People,
serialNumber=D5AP240166,
cn=Ingrid M Peters
Date: 2024.08.22 15:55:27 -04'00'

Local Registrar

Address of court office: 85 Frederick Street
Kitchener, ON N2H 0A7

TO: Corry Van Iersel
84 Brewster Place
Cambridge, ON N3C 3T9

AND TO: Kenneth Schaller
780 Concession 8 West
Puslinch, ON N0B 2J0

AND TO: PICI Investments Incorporated
780 Concession 8 West
Puslinch, ON N0B 2J0

AND TO: The Vancor Group Inc.
697 Coronation Blvd, Unit 5
Cambridge, ON N1R 3G5

AND TO: 2767888 Ontario Inc.
960 King Street East, Suite 7
Cambridge, ON N3H 3P3

APPLICATION

1. The Applicant makes application for:

(a) An order declaring binding and enforcing the agreement between Garas Family Holdings Inc., PICI Investments Ltd., and 2767888 Ontario Inc. on October 17, 2023 for the purchase by PICI Investments Ltd. of the shares of Garas Family Holdings Inc. in 2767888 Ontario Inc., for the amount of \$4,023,735, secured by 2767888 Ontario Inc. by a mortgage on its real properties, and further ordering the following:

(i) That PICI Investments Ltd. purchase all of the shares of Garas Family Holdings Inc. in 2767888 Ontario Inc. for the amount \$4,023,735.00.

(ii) That 2767888 Ontario Inc. register a mortgage in the amount of \$4,023,735 on its real properties in favour of Garas Family Holdings Inc., as security for the purchase price of the shares of Garas Family Holdings Inc. in 2767888 Ontario Inc., in the form satisfactory to counsel to Garas Family Holdings Inc. and including the following terms:

(1) A three-year term beginning October 17, 2023;

(2) Interest at the rate of 10% per annum, compounded annually; and

(3) Monthly payments, effective October 17, 2023, for interest only.

(b) in the alternative to the relief sought in paragraph 1(a), an order under s. 248 of the *Business Corporations Act*, R.S.O. 1990, c. B.16 declaring that the affairs of 2767888 Ontario Inc. have been conducted in such a manner that is oppressive

-4-

and unfairly prejudicial to and that unfairly disregards the interest of Garas Family Holdings Inc., and an order directing that PICI Investments Ltd. purchase the shares of Garas Family Holdings Inc. in 2767888 Ontario Inc. and that 2767888 Ontario Inc. provide security for the purchase price, all in accordance with the terms sought in paragraph 1(a);

- (c) in the alternative and if requested, an interim order under section 161 of the *Business Corporations Act*, R.S.O. 1990, c. B.16 directing an investigation be made of the affairs of 2767888 Ontario Inc. since November 5, 2021 or, in the alternative, an order under section 248 of the *Business Corporations Act*, R.S.O. 1990, c. B.16 for an accounting of the financial affairs of 2767888 Ontario Inc. since November 5, 2021, the appointment of an auditor, and/or for the preparation of audited financial statements;
- (d) in the alternative and if requested, an order for a trial of the following issues:
 - (i) a claim by Garas Family Holdings Inc. against Corry Van Iersel, 2767888 Ontario Inc., The Vancor Group Inc., PICI Investments Ltd., and Kenneth Schaller for rescission and/or damages for negligent misrepresentation arising from the purchase of shares by Garas Family Holdings Inc. from PICI Investments Ltd in 2767888 Ontario Inc. on November 5, 2021;
 - (ii) in the alternative to an order for rescission, an order under sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990, c. B.16 that 2767888 Ontario Inc. buy the shares of Garas Family Holdings Inc. at their fair value;

-5-

- (e) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (f) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (g) the costs of this proceeding, plus all applicable taxes; and
- (h) such further and other Relief as to this Honourable Court may seem just.

2. The grounds for the application are:

Overview

- (a) The primary purpose of this application is to enforce an agreement made on October 17, 2023. The purpose of the agreement was to resolve claims arising out of a share purchase on November 5, 2021. In that share purchase, the applicant, Garas Family Holdings Inc., agreed to purchase 20% of the common shares of the respondent, 2767888 Ontario Inc. for the price of \$3,393,000. The purchase price was based on representations made by the respondents about the value of 2767888 Ontario Inc. This purchase price now appears to be in the order of 25 times greater than the value of all of the shares in 2767888 Ontario Inc. at the time of the purchase, based on financial statements later disclosed by the respondents.

Background and parties

- (b) Nashaat Garas is an individual living in Cambridge, Ontario. He immigrated to Canada from Egypt with his wife Manal Garas in 1997. Nashaat Garas worked as

-6-

a professional engineer in Canada and now works in the management of his wife's pharmacy business. Manal Garas is a professional pharmacist.

- (c) Garas Family Holdings Inc. is a corporation incorporated under the *Business Corporations Act*, R.S.O. 1990, c. B.16. Nashaat Garas is the sole director and shareholder of Garas Family Holdings Inc.
- (d) Manal Garas Pharmacy Professional Corporation is a corporation incorporated under the *Business Corporations Act*, R.S.O. 1990, c. B.16. Manal Garas is the sole director of Manal Garas Pharmacy Professional Corporation. Manal Garas is the shareholder of Manal Garas Pharmacy Professional Corporation.
- (e) Corry Van Iersel is an individual living in Cambridge, Ontario. At all relevant times, Corry Van Iersel has been a registered broker under the *Real Estate and Business Broker Act, 2002*, S.O. 2002, c. 30, Sched C.
- (f) The Vancor Group Inc. is a corporation incorporated under the *Business Corporations Act*, R.S.O. 1990, c. B.16. Corry Van Iersel is the sole director of the Vancor Group Inc.
- (g) Kenneth Schaller is an individual living in Puslinch, Ontario.
- (h) PICI Investments Ltd. is a corporation incorporated under the *Business Corporations Act*, R.S.O. 1990, c. B.16. Kenneth Schaller is the sole director of PICI Investments Ltd.
- (i) 2767888 Ontario Inc. is a corporation incorporated under the *Business Corporations Act*, R.S.O. 1990, c. B.16, that owns real properties throughout Ontario. Most or all of the real properties of 2767888 Ontario Inc. are leased to

-7-

stores operated by a retail cannabis business operated under 2744364 Ontario Limited. At all relevant times, Corry Van Iersel and Kenneth Schaller have been the directors of 2767888 Ontario Inc., and Corry Van Iersel has been the sole officer of 2767888 Ontario Inc. The current shareholders of 2767888 Ontario Inc. are as follows:

- (i) Vancor Group Inc., which owns 50% of the common shares.
 - (ii) PICI Investments Ltd., which owns 30% of the common shares.
 - (iii) Garas Family Holdings Inc., which owns 20% of the common shares.
- (j) 2744364 Ontario Limited is a corporation incorporated under the *Business Corporations Act*, R.S.O. 1990, c. B.16 controlled by Corry Van Iersel and Kenneth Schaller.

History of relationship between Nashaat Garas and Corry Van Iersel

- (k) Nashaat Garas and Corry Van Iersel met in 2011 through their children's sports team. Nashaat Garas and Corry Van Iersel have owned Vangar Properties Incorporated since 2012, a corporation incorporated under the *Business Corporations Act*, R.S.O. 1990, c. B.16. Vangar Properties Incorporated is in the business of real estate purchases, sales, and rental properties. Since the incorporation of Vangar Properties Incorporated, Nashaat Garas has relied on Corry Van Iersel to carry out the day-to-day business and financial affairs of Vangar Properties Incorporated. As a result of their dealings over the years, Nashaat Garas came to place his trust in Corry Van Iersel in business, financial, and real estate affairs.

-8-

- (l) In or around November 2020, Corry Van Iersel approached Nashaat Garas regarding financing for 2767888 Ontario Inc. Pursuant to a commitment letter dated November 5, 2020, Nashaat Garas, Garas Family Holdings Inc., and Manal Garas Pharmacy Professional Corporation advanced the principal amount of \$2,500,000 to 2767888 Ontario Inc. for two-year term, with interest at 8% per annum, secured by an umbrella mortgage on certain properties of 2767888 Ontario Inc.
- (m) Corry Van Iersel and Kenneth Schaller had a business relationship prior to the events in question. Corry Van Iersel and Kenneth Schaller carried on business in common together with a view for a profit through a variety of entities. They own, directly or through related parties, 2744364 Ontario Limited and a cannabis processing and packaging business operated under Galaxie Brands Corporation.

2021 share purchase agreement and shareholder agreement

- (n) In early 2021, Corry Van Iersel approached Nashaat Garas regarding a potential investment by Nashaat Garas in the real estate business operated by 2767888 Ontario Inc. and in the retail cannabis business operated by 2744364 Ontario Limited. At this time, the Vancor Group Inc. and PICI Investments Ltd. each owned 50% of 2767888 Ontario Inc.
- (o) These discussions continued between April 2021 and October 2021.
- (p) The investment in 2744364 Ontario Limited ultimately did not proceed. However, Garas Family Holdings Inc. and PICI Investments Ltd. executed a share purchase agreement dated November 5, 2021, in which Garas Family Holdings Inc.

-9-

purchased 4 common shares of 2767888 Ontario Inc. from PICI Investments Ltd. (representing 20% of the common shares) for the price of \$3,393,000.

- (q) Garas Family Holdings Inc., PICI Investments Ltd., Vancor Group Inc., and 2767888 Ontario Inc. further executed a unanimous shareholder agreement dated November 5, 2021.

Representations by Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. during negotiation of share purchase agreement

- (r) During the course of the discussions leading to the share purchase agreement on November 5, 2021, Corry Van Iersel had actual and apparent authority to communicate with Nashaat Garas on behalf of PICI Investments Ltd., The Vancor Group Inc., 2767888 Ontario Inc., and Kenneth Schaller.
- (s) During the course of these discussions, Corry Van Iersel made representations to Nashaat Garas regarding the assets and liabilities of 2767888 Ontario Inc., on his own behalf and on behalf of Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. In particular, Corry Van Iersel made the following representations:
- (i) On July 13, 2021, Corry Van Iersel sent Nashaat Garas a list of real properties owned by 2767888 Ontario Inc. with stated values and mortgage balances, showing a total equity of \$20,119,000, a total property value based on rent with a capitalization rate of 5% of \$37,872,240, and an appraised value based on purchase price plus improvements of \$25,450,000.

-10-

- (ii) On August 10, 2021, Corry Van Iersel emailed Nashaat Garas regarding the terms of the proposed purchase and stated that the purchase would use a net value of \$22,500,000, that the purchase price for 20% of the shares would be \$4.5 million, and that he agreed with the valuations.
- (iii) On October 12, 2021, in response to a request by Nashaat Garas, Corry Van Iersel signed a document listing the values of the properties of 2767888 Ontario Inc. and the mortgages on those properties.
- (iv) In the course of negotiating the purchase of shares in 2767888 Ontario Inc., Nashaat Garas asked Corry Van Iersel for appraisals of the properties of in 2767888 Ontario Inc. Corry Van Iersel advised Nashaat Garas that he could rely on the information disclosed by Corry Van Iersel about 2767888 Ontario Inc. to set the price for the shares in 2767888 Ontario Inc. and that Nashaat Garas knew and could trust Corry Van Iersel 100 percent.

Existence of duty of care by Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. to Nashaat Garas and Garas Family Holdings Inc.

- (t) Each of Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. owed a duty of care to Nashaat Garas and Garas Family Holdings Inc. in relation to the representations made regarding the assets and liabilities of 2767888 Ontario Inc. In particular:
 - (i) It was reasonably foreseeable to Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. that Nashaat Garas and Garas Family Holdings Inc. would rely on their

-11-

representations regarding the assets and liabilities of 2767888 Ontario Inc. in deciding whether to purchase shares in 2767888 Ontario Inc. from PICI Investments Ltd. and in agreeing to a purchase price of those shares.

- (ii) In the circumstances, it was reasonable for Nashaat Garas and Garas Family Holdings Inc. to rely on the representations of Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. in deciding whether to purchase shares in 2767888 Ontario Inc. from PICI Investments Ltd. and in agreeing to a purchase price of those shares.
- (u) The particular circumstances giving rise to a duty of care from Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. to Nashaat Garas and Garas Family Holdings Inc. include the following:
 - (i) The existing business relationship between Corry Van Iersel and Nashaat Garas in which Corry Van Iersel was responsible for day-to-day management of Vangar Properties Incorporated.
 - (ii) The representations were made in the course of the business of 2767888 Ontario Inc., The Vancor Group Inc., and PICI Investment Ltd.
 - (iii) Corry Van Iersel possessed special skill, judgment, and knowledge with his experience in business, finance, and real estate, and as a registered real estate broker under the *Real Estate and Business Broker Act, 2002*, S.O. 2002, c. 30, Sched C.

-12-

- (iv) PICI Investment Ltd. had a direct financial interest in the contemplated share purchase.
- (v) Corry Van Iersel, Kenneth Schaller, 2767888 Ontario Inc., and The Vancor Group Inc. had a direct or indirect financial interest in the contemplated share purchase. In particular, PICI Investments Ltd. intended to invest the proceeds of the share sale in the business of 2767888 Ontario Inc.
- (vi) Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. intended that Nashaat Garas and Garas Family Holdings Inc. rely on their representations regarding the assets and liabilities of 2767888 Ontario Inc. in purchasing shares from PICI Investments Ltd.
- (vii) The representations of Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. were made, in part, in response to requests by Nashaat Garas and Garas Family Holdings Inc.

Representations regarding assets and liabilities of 2767888 Ontario Inc. were untrue, inaccurate, or misleading

- (v) The representations by Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. created the impression that the assets and liabilities of 2767888 Ontario Inc. corresponded to the value of its real properties after taking into account the value of its mortgage debt.

-13-

- (w) In fact, at the time of the share purchase agreement, 2767888 Ontario Inc. owed between \$7,008,044 and \$11,510,579 on loans advanced by its then shareholders. The amounts owed from 2767888 Ontario Inc. to its shareholders at the time of the share purchase agreement substantially reduced the value of the shares purchased by Garas Family Holdings Inc.
- (x) In negotiations with Nashaat Garas, none of Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. disclosed the existence of any amounts owed by 2767888 Ontario Inc. to its shareholders.

Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., and 2767888 Ontario Inc. were negligent in the making of the misrepresentations

- (y) Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. failed to exercise reasonable care to ensure that the representations made to Nashaat Garas and Garas Family Holdings Inc. were accurate and not misleading. The particulars of this failure to take reasonable care include:
 - (i) Offering estimates of the values of real properties of 2767888 Ontario Inc. with the knowledge that Nashaat Garas and Garas Family Holdings Inc. would rely on them to negotiate a purchase price.
 - (ii) Failing to disclose amounts owed to the existing shareholders of 2767888 Ontario Inc. of which Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. were aware or should have been aware.

-14-

- (iii) Representing to Nashaat Garas that he could rely on the limited information disclosed to determine the value of 2767888 Ontario Inc.
- (iv) Failing to obtain any accounting, valuation, or financial advice regarding the value, assets, or liabilities of 2767888 Ontario Inc. prior to making representations on which it was reasonably foreseeable that Nashaat Garas and Garas Family Holdings Inc. would rely.

Nashaat Garas and Garas Family Holdings Inc. reasonably relied on representations by Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc.

- (z) In entering the share purchase agreement and in agreeing on the purchase price for the shares, Nashaat Garas and Garas Family Holdings Inc. relied on the representations by Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. regarding the assets and liabilities of 2767888 Ontario Inc.
- (aa) In the circumstances, including the existing business relationship between Nashaat Garas and Corry Van Iersel and the nature of the business of 2767888 Ontario Inc., it was reasonable for Nashaat Garas and Garas Family Holdings Inc. to rely on representations of Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc.
- (bb) If Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. had disclosed the amounts owed from 2767888 Ontario Inc. to its shareholders prior to the share purchase agreement, Garas Family Holdings Inc. would not have entered the share purchase agreement at all, or would have entered an agreement only at a substantially lower price.

- (cc) As a result of the misrepresentations of Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc., Garas Family Holdings Inc. suffered damages. The purchase price paid by Garas Family Holdings Inc. on November 5, 2021 (\$3,393,000) was significantly greater than the value of the shares purchased. Indeed, the purchase price was over 25 times greater than the shareholder equity in 2767888 Ontario Inc. recorded in the financial statements for December 31, 2021.

Breach of representation and warranty by PICI Investments Ltd.

- (dd) In addition to the negligent misrepresentations set out above, PICI Investment Ltd. further breached representations and warranties in the share purchase agreement executed on November 5, 2021.
- (ee) The share purchase agreement dated November 5, 2021 included, among others, the following representations and warranties:
- i. PICI Investments Ltd. represented and warranted that the corporate records and minute books of 2767888 Ontario Inc. contained complete and accurate minutes of all meetings of the respective directors and shareholders of 2767888 Ontario Inc. held since incorporation, and complete and accurate written resolutions of the directors and shareholders of 2767888 Ontario Inc.
 - ii. PICI Investments Ltd. represented and warranted that it had disclosed to Garas Family Holdings Inc. complete copies of all leases, contracts, agreements or other written obligations between 2767888 Ontario Inc. and

-16-

any of its affiliates, defined with reference to the *Business Corporations Act*, R.S.O. 1990.

- (ff) The minute book of 2767888 Ontario Inc. did not disclose any records of director or shareholder meetings at which 2767888 Ontario Inc. borrowed significant amounts from its shareholders.
- (gg) The minute book of 2767888 Ontario Inc. did not disclose any loan agreements between 2767888 Ontario Inc. and its shareholders or any minutes or resolutions of any director or shareholder meeting at which approval was given for such loans from the shareholders of 2767888 Ontario Inc.
- (hh) PICI Investments Ltd. did not disclose the existence of any debt between 2767888 Ontario Inc. and Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., or the Vancor Group Inc.

Discovery of misrepresentation and 2023 repurchase agreement

- (ii) In the summer of 2023, Nashaat Garas decided to investigate holding some of his assets in a family trust. In the course of that investigation, Nashaat Garas obtained additional information about the finances of 2767888 Ontario Inc. This information revealed that 2767888 Ontario Inc. had the following shareholder loan balances:
 - (i) \$7,008,044 as of December 31, 2020
 - (ii) \$11,510,579 as of December 31, 2021
 - (iii) \$5,037,313 as of December 31, 2022.

-17-

- (jj) After learning of the undisclosed shareholder loans, Nashaat Garas raised concerns with Corry Van Iersel and Kenneth Schaller.
- (kk) Corry Van Iersel, Kenneth Schaller, and Nashaat Garas met on October 17, 2023 to discuss the issues raised by Nashaat Garas with the November 5, 2021 transaction. Heithem Dahrouj, the VP Finance of True North Cannabis, attended the meeting. At that meeting, the parties agreed to the following:
 - (i) PICI Investments Ltd. would repurchase the shares of Garas Family Holdings Inc. for the original purchase price plus 9% compound interest (\$4,023,735).
 - (ii) The purchase price of \$4,023,735 would be secured by a new mortgage granted by 2767888 Ontario Inc. with a 3-year term at 10% interest.
 - (iii) The monthly payment would be interest only.
 - (iv) 2767888 Ontario Inc. could pay the loan anytime with a 3-month interest penalty.
 - (v) The mortgage would be given on properties owned by 2767888 Ontario Inc.
 - (vi) The details of the mortgage would be approved by the lawyer for Nashaat Garas and Garas Family Holdings Inc.
- (ll) The purpose of this agreement was to settle all issues related to the purchase of shares in 2767888 Ontario Inc. on November 5, 2021.

-18-

- (mm) Heithem Dahrouj, Corry Van Iersel, and Kenneth Schaller confirmed the essential terms of the agreement by emails on October 17, 2023 and October 18, 2023. These emails constituted a memorandum or note in writing and signed by Corry Van Iersel, Kenneth Schaller, 2767888 Ontario Inc., and PICI Investments Ltd.
- (nn) Counsel for Garas Family Holdings Inc. began preparing a written agreement to reflect acceptable details of the security for the repurchase agreement. However, in the course of preparing this agreement, Nashaat Garas and Corry Van Iersel discussed the possibility of using Corry Van Iersel's shares in Vangar Properties Incorporated as security for the purchase price. Counsel for Garas Family Holdings Inc. accordingly circulated a draft agreement addressing the additional proposed security. The parties did not execute this agreement.
- (oo) Thereafter, neither Corry Van Iersel nor Kenneth Schaller were willing to perform the agreement reached on October 17, 2023. Corry Van Iersel gave various reasons why the agreement could not be performed, such entering a new shareholder agreement with Kenneth Schaller, and his ongoing family law litigation.
- (pp) On January 2, 2024, Corry Van Iersel and Kenneth Schaller executed a new shareholder agreement for 2767888 Ontario Inc. The new shareholder agreement listed PICI Investments Incorporated and The Vancor Group Inc. as the registered and beneficial owners of all of the issued and outstanding shares of 2767888 Ontario Inc.

-19-

- (qq) On April 22, 2024, Kenneth Schaller delivered a buy/sell offer on behalf of PICI Investments Incorporated in which he offered to sell 50% of the common shares of 2767888 Ontario Inc.

Demands and refusal to perform the 2023 repurchase agreement

- (rr) On April 17, 2024, litigation counsel for Garas Family Holdings Inc. wrote to PICI Investments Incorporated, care of Kenneth Schaller, and to 2767888 Ontario Inc., care of Corry Van Iersel, to advise that Garas Family Holdings Inc. remained ready, willing, and able to close the agreement of October 17, 2023, and to demand that the other parties perform the agreement.
- (ss) PICI Investments Incorporated and 2767888 Ontario Inc. did not perform the agreement in respond to this demand.
- (tt) On May 3, 2024, litigation counsel for Garas Family Holdings Inc. wrote to PICI Investments Incorporated and 2767888 Ontario Inc. to reiterate that Garas Family Holdings Inc. remained ready, willing, and able to close the agreement of October 17, 2023. Counsel provided the necessary documentation for PICI Investments Incorporated and 2767888 Ontario Inc. to complete the transaction, and advised that the necessary documentation for Garas Family Holdings Inc. had been executed and provided to counsel.
- (uu) Since May 3, 2024, PICI Investments Incorporated and 2767888 Ontario Inc. have continued to refuse to perform the agreement of October 17, 2023.
- (vv) All at times since the agreement of October 17, 2023, Garas Family Holdings Inc. has been ready, willing, and able to perform the agreement.

Unanimous shareholder agreement of November 5, 2021 and conduct of 2767888 Ontario Inc.

- (ww) The unanimous shareholder agreement for 2767888 Ontario Inc. on November 5, 2021 provided that Corry Van Iersel and Kenneth Schaller would be the sole two directors and officers of 2767888 Ontario Inc. and would manage its affairs.
- (xx) The unanimous shareholder agreement further provided that 2767888 Ontario Inc. would take the following actions, among others, only with the prior unanimous consent of the shareholders (including Garas Family Holdings Inc.):
 - (i) The repayment of any loan otherwise than in accordance with its terms;
 - (ii) The purchase, sale, or lease of any real property; and
 - (iii) The borrowing of any money.
- (yy) Since November 5, 2021, 2767888 Ontario Inc. has borrowed and repaid money and has purchased real property. In particular, 2767888 Ontario Inc. acquired the following properties (and encumbered them with mortgages):
 - (i) 212 King Street, Midland;
 - (ii) 34 Seguin Street, Parry Sound;
 - (iii) 324 Whitewood Avenue West, New Liskeard; and
 - (iv) 18 Circle Street, Kapuskasing.
- (zz) Furthermore, it appears that 2767888 Ontario Inc. increased the total amount of borrowing secured by mortgages from \$4,913,131, to December 31, 2021

-21-

\$12,741,557 on December 31, 2022, to approximately \$20,000,000 as of the current date.

- (aaa) Corry Van Iersel and Kenneth Schaller did not seek the prior consent of Garas Family Holdings Inc. to the above actions by 2767888 Ontario Inc., although they did inform Nashaat Garas of the purchases of real properties.
- (bbb) Since November 5, 2021, 2767888 Ontario Inc. has not delivered audited financial statements prepared by a chartered professional accountant. 2767888 Ontario Inc. has delivered statements for the years ending December 31, 2021 and December 31, 2022 prepared by an individual identifying themselves as an accountant but not licensed with the Chartered Professional Accountants of Ontario. Apart from these statements, Garas Family Holdings Inc. has received no detailed financial information regarding the affairs of 2767888 Ontario Inc.
- (ccc) Since December 2023, 2767888 Ontario Inc. has been default of the interest payments required on its mortgages from Garas Family Holdings Inc., Manal Garas Pharmacy Professional Corporation, and Nashaat Garas.
- (ddd) On or around April 22, 2024, Corry Van Iersel began an action against 2767888 Ontario Inc. and Ken Schaller, among other defendants. Among other allegations, Corry Van Iersel alleged:
 - (i) Kenneth Schaller had repeatedly threatened to sabotage 2767888 Ontario Inc. and the other businesses operated by Corry Van Iersel and Kenneth Schaller;

- (ii) Kenneth Schaller had repeatedly stated that he doesn't care if taxes were paid and that 2767888 Ontario Inc. was \$100,000 behind in HST;
- (iii) Kenneth Schaller had improperly used \$137,000 in the funds of a business operated by Corry Van Iersel and Kenneth Schaller for personal expenses, including \$10,000 for a strip club and \$6,000 for a dinner.
- (iv) Kenneth Schaller improperly withdrew \$21,000 from the account of another business for his personal life insurance policy.
- (v) Kenneth Schaller owed businesses operated by Corry Van Iersel various amounts used to pay off his personal credit card.
- (vi) Kenneth Schaller has a history of aggressive behaviour against staff of the businesses operated by Corry Van Iersel and Kenneth Schaller and against authorities.
- (vii) Kenneth Schaller had behaved erratically and unprofessionally in the businesses operated by Corry Van Iersel and Kenneth Schaller;
- (viii) Kenneth Schaller's actions oppressed the reasonable expectations of the Vancor Group Inc. and had put Corry Van Iersel's shareholdings at risk.
- (ix) Kenneth Schaller had breached his fiduciary duty to 2767888 Ontario Inc. and the other businesses operated by Corry Van Iersel and Kenneth Schaller.
- (x) 2767889 Ontario Inc. has mortgages of approximately \$20,000,000 at 12% interest coming due in 7-8 months.

- (eee) On April 26, 2024, Corry Van Iersel obtained an interim order from Justice Gibson of the Superior Court, on the consent of Kenneth Schaller, prohibiting Kenneth Schaller from, among other things, taking any steps to deal with the business of 2767888 Ontario Inc. The order granted Corry Van Iersel sole authority over the banking and finances of 2767888 Ontario Inc. subject to the approval required by Garas Family Holdings Inc. for particular actions.

Basis for enforcement of October 17, 2023 agreement

- (fff) Garas Family Holdings Inc., PICI Investments Ltd., and 2767888 Ontario Inc. entered a binding and enforceable agreement on October 17, 2023 on all essential terms of a purchase of the shares of Garas Family Holdings Inc. in 2767888 Ontario Inc. The agreement was confirmed by a memorandum or note in writing and signed by Corry Van Iersel, Kenneth Schaller, 2767888 Ontario Inc., and PICI Investments Ltd.
- (ggg) In the alternative that the agreement lacked one or more elements of a binding and enforceable agreement, the conduct of 2767888 Ontario Inc. since October 17, 2023 has been oppressive or unfairly prejudicial to and has unfairly disregarded the interests of Garas Family Holdings Inc. as a shareholder and creditor of 2767888 Ontario Inc. Garas Family Holdings Inc. reasonably expected to enjoy an interest in 2767888 Ontario Inc. commensurate with twenty percent of the value of its real properties, net of mortgage debt. Garas Family Holdings Inc. reasonably expected that PICI Investments Ltd., and 2767888 Ontario Inc. would implement the solution agreed to on October 17, 2023 to address its concerns of misrepresentation. An order that PICI Investments Ltd., and 2767888 Ontario Inc.

carry out the terms of the agreement is necessary to vindicate these reasonable expectations.

Basis for inspection, accounting, appointment of auditor, and financial statements

(hhh) Given the conduct of 2767888 Ontario Inc., Corry Van Iersel, and Kenneth Schaller since November 5, 2021, there is a *prima facie* case that the business and affairs of 2767888 Ontario Inc. have been carried on in a manner that is oppressive or unfairly prejudicial, or that unfairly disregards the interest of Garas Family Holdings Inc. Furthermore, 2767888 Ontario Inc. has not complied with its obligations to appoint an auditor and to deliver audited financial statements for some or all of the years since November 5, 2021.

Basis for trial of issues and for order under s. 207 of the Business Corporations Act, R.S.O. 1990, c. B.16

(iii) For the reasons set out above, Corry Van Iersel, Kenneth Schaller, PICI Investments Ltd., The Vancor Group Inc., and 2767888 Ontario Inc. are liable to Garas Family Holdings Inc. in negligent misrepresentation in connection with the share purchase of November 5, 2021, and Garas Family Holdings Inc. is entitled to rescission and/or damages.

(jjj) Given the conduct of 2767888 Ontario Inc., Corry Van Iersel, and Kenneth Schaller since November 5, 2021, it is just and equitable to make an order under section 207 of the *Business Corporations Act*, R.S.O. 1990, c. B.16. Garas Family Holdings Inc. reasonably expected, in particular, that 2767888 Ontario Inc. would observe the provisions of the shareholder agreement and that 2767888 Ontario

-25-

Inc. would be managed, subject to the shareholders' agreement, by Corry Van Iersel and Kenneth Schaller.

Legislation

(kkk) Sections 161, 207, 248, and *Business Corporations Act*, R.S.O. 1990, c. B.16.

(III) Rule 14.05(3)(d) and (h) of the *Rules of Civil Procedure*.

(mmm) Such further and other grounds as the lawyers may advise.

3. The following documentary evidence will be used at the hearing of the application:

(a) The affidavit of Nashaat Garas sworn July 2, 2024;

(b) The following documents from the action with court file number CV-00000669-000:

(i) The pleadings;

(ii) The motion record of the plaintiffs dated April 23, 2024;

(iii) The supplementary affidavit of Corry Van Iersel sworn April 24, 2024;

(iv) The order of Justice Gibson dated April 26, 2024;

(c) The notice of motion and supporting affidavit of Cindy Cooper dated July 31, 2024 from the proceeding with court file number FC-22-00058188-0000; and

(d) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

-26-

August 13, 2024

SmithValeriote Law Firm LLP

Barristers and Solicitors

245 Hanlon Creek Boulevard, Unit 102

Guelph, ON N1C 0A1

Tel: 519-837-2100

Trenton Johnson (LSO# 50618G)

tjohnson@svlaw.ca

Ben Grant (LSO# 63390O)

bgrant@svlaw.ca

Lawyers for the Applicant

GARAS FAMILY HOLDINGS INC.
Applicant

v.

CORY VAN IERSEL et al.
Respondents

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
WATERLOO REGION**

NOTICE OF APPLICATION

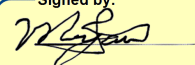
**SmithValeriote Law Firm LLP
Barristers and Solicitors**
245 Hanlon Creek Boulevard, Unit 102
Guelph, ON N1C 0A1
Tel: 519-837-2100

Trenton Johnson (LSO# 50618G)
tjohnson@svlaw.ca

Ben Grant (LSO# 633900)
bgrant@svlaw.ca

Lawyers for the Applicant

This is Exhibit “X” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 23, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:


6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

09Court File No. CV-24-00001414-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

GARAS FAMILY HOLDINGS INC.

Applicant

- and -

CORRY VAN IERSEL, KENNETH SCHALLER, PICI INVESTMENTS
INCORPORATED, THE VANCOR GROUP INC. and 2767888 ONTARIO INC.

Respondents

APPLICATION UNDER Rule 14.05(3)(d) and (h), and pursuant to ss. 161, 241, and 248 of the
Business Corporations Act.

CONSENT

By their respective lawyers, the parties consent to an Order in the form attached hereto at
Schedule "A" to this Consent. No Party affected by the Order is under disability.

DATED AT GUELPH, ONTARIO this 20th day of November, 2024

SmithValeriote Law Firm LLP



Ben Grant
Lawyers for the Applicant

DATED AT TORONTO, ONTARIO this 23rd day of November, 2024

Rory McGovern PC

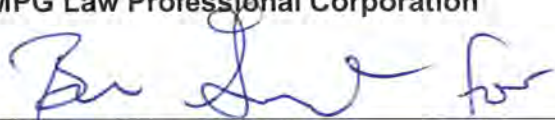


Rory McGovern
Lawyers for the Respondents,
Corry Van Iersel, The Vancor Group Inc.
and 2767888 Ontario Inc.

-2-

DATED AT WATERDOWN, ONTARIO this 28 day of November, 2024

MPG Law Professional Corporation

A handwritten signature in blue ink, appearing to read "Matthew Glowacki", written over a horizontal line.

Matthew Glowacki
Lawyers for the Respondents,
Kenneth Schaller and PICI Investments
Incorporated

SCHEDULE “A”

Court File No. CV-24-00001414-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)
JUSTICE)
)
) DAY OF , 2024

B E T W E E N:

GARAS FAMILY HOLDINGS INC. Applicant

- and -

CORRY VAN IERSEL, KENNETH SCHALLER, PICI INVESTMENTS
INCORPORATED, THE VANCOR GROUP INC. and 2767888 ONTARIO INC. Respondents

APPLICATION UNDER Rule 14.05(3)(d) and (h), and pursuant to ss. 161, 241, and 248 of the
Business Corporations Act.

ORDER

THIS MOTION, made by the Applicant, was heard this day at 85 Frederick Street,
Kitchener, Ontario, N2H 0A7,

ON READING the consent of the parties, filed,

- 1. THIS COURT ORDERS that the Parties shall adhere to the Timetable attached as **Schedule “A”** to this Order, and that each Party shall carry out the steps in the proceeding by the dates set out in the Timetable.
- 2. AND THIS COURT ORDERS that the deadlines set out in the Timetable may be varied by mutual consent of the Parties or by further Order of this Honourable Court.

(Signature of judge, officer or registrar)

SCHEDULE "A"

Court File No. CV-24-00001414-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

GARAS FAMILY HOLDINGS INC.

Applicant

- and -

**CORRY VAN IERSEL, KENNETH SCHALLER, PICI INVESTMENTS
INCORPORATED, THE VANCOR GROUP INC. and 2767888 ONTARIO INC.**

Respondents

APPLICATION UNDER Rule 14.05(3)(d) and (h), and pursuant to ss. 161, 241, and 248 of the
Business Corporations Act.

TIMETABLE

1. The parties have agreed to a timetable for the application, as follows:

- (a) The Respondents shall each serve and file their Responding Motion Records on or before January 13, 2025;
- (b) The Applicant shall serve and file its Reply Record (if any) on or before January 27, 2025; and,
- (c) Cross-examinations or other examinations for the application will be completed on or before February 14, 2025;
- (d) The application will be spoken to on February 20, 2025 at 10:00 am;
- (e) The Applicant will serve its factum on or before February 27, 2025;
- (f) The Respondents will serve their factums on or before March 13, 2025;

-6-

- (g) The application will be adjourned to be heard at 10:00 am on March 19, 2025 for one day.

GARAS FAMILY HOLDINGS INC.
Applicant

v. **CORRY VAN IERSEL et al.**
Respondents

Court File No. CV-24-00001414-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
WATERLOO REGION

ORDER

SmithValeriotte Law Firm LLP
Barristers and Solicitors
245 Hanlon Creek Boulevard, Unit 102
Guelph, ON N1C 0A1
Tel: 519-837-2100

Trenton Johnson (LSO# 50618G)
tjohnson@svlaw.ca

Ben Grant (LSO# 633900)
bgrant@svlaw.ca

Lawyers for the Applicant

GARAS FAMILY HOLDINGS INC.
Applicant

v. **CORRY VAN IERSEL et al.**
Respondents

Court File No. CV-24-00001414-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
WATERLOO REGION

CONSENT

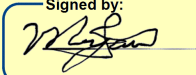
**SmithValeriote Law Firm LLP
Barristers and Solicitors**
245 Hanlon Creek Boulevard, Unit 102
Guelph, ON N1C 0A1
Tel: 519-837-2100

Trenton Johnson (LSO# 50618G)
tjohnson@svlaw.ca

Ben Grant (LSO# 63390O)
bgrant@svlaw.ca

Lawyers for the Applicant

This is Exhibit “Y” referred to in the Affidavit of Corry Van Iersel sworn by Corry Van Iersel in the City of Orlando in the State of Florida, before me at the City of Toronto, in the Province of Ontario, on January 22, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

6EDCCDB31BD748E...

Commissioner for Taking Affidavits (or as may be)

MRYAM SARKIS

January 23, 2025

2744364 Ontario Limited o/a True North Cannabis Company

960 King Street East
Cambridge, ON N3H 3P3

2767888 Ontario Inc.

Unit 5, 697 Coronation Boulevard
Cambridge, ON N1R 3G5

2668905 Ontario Inc. o/a Bamboo Blaze

Unit 5, 697 Coronation Boulevard
Cambridge, ON N1R 3G5

Attention: Shawn Dym, Chief Restructuring Officer

Re: Debtor-in-Possession Financing of 2744364 Ontario Limited o/a True North Cannabis Company, 2767888 Ontario Inc. ("888"), and 2668905 Ontario Inc. o/a Bamboo Blaze (collectively, the "Borrowers")

A. The Vancor Group Inc. (the "**Lender**") intends to make an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") for an initial order (the "**Initial Order**"), among other things: (i) commencing proceedings under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**") in respect of the Borrowers; (ii) imposing a stay of proceedings in favour of the Borrowers (the "**Initial Stay**"); (iii) approving this Term Sheet and granting the DIP Lender's Charge (as defined herein); (iv) approving the engagement of Shawn Dym as Chief Restructuring Officer of the Borrowers (in such capacity, the "**CRO**"); and (v) appointing Deloitte Restructuring Inc. as monitor of the Borrowers (in such capacity, the "**Monitor**") for the proceedings initiated by the Initial Order (the "**CCAA Proceedings**").

B. In the event that the Initial Order is granted, and prior to the expiry of the Initial Stay, the Lender intends to seek an amended and restated initial order granting, among other things, the relief set out in Section 13(a) (as may be further amended and restated from time to time, the "**ARIO**").

C. In order to satisfy the cash flow requirements of the CCAA Proceedings and other short-term liquidity requirements of the Borrowers, the Lender has agreed to establish a debtor-in-possession loan facility in the maximum aggregate principal amount of \$2,000,000, subject to, and in accordance with, the terms and conditions of this term sheet (this "**Term Sheet**").

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

SUMMARY OF TERMS FOR DIP FACILITY

- 1. Borrowers:** 2744364 Ontario Limited o/a True North Cannabis Company, 2767888 Ontario Inc., and 2668905 Ontario Inc. o/a Bamboo Blaze, on a joint and several basis.
- 2. Lender:** The Vancor Group Inc.

3. DIP Facility: Non-revolving credit facility in the maximum aggregate principal amount of \$2,000,000, plus applicable interest, fees and costs (the “**DIP Facility**”).

4. Purpose: The DIP Facility shall be available to fund: (a) working capital needs of the Borrowers; (b) professional fees and expenses incurred by the Borrowers and the Monitor in respect of the CCAA Proceedings; (c) debt service obligations of the Borrowers; in each case in accordance with the cash flow forecast approved by the Monitor and the Lender (the “**Cash Flow Forecast**”); (d) the Recoverable Expenses (as defined herein); and (e) such other costs and expenses of the Borrowers as may be agreed to by the Lender and the Monitor, in writing.

The amount and purpose of the DIP Facility may be amended by the Borrowers and the Lender, with the consent of the Monitor, in writing, and further order of the Court. The Borrowers may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrowers, except in accordance with the Initial Order, the ARIO or the Cash Flow Forecast or with the prior written consent of the Lender and the Monitor.

5. Advances: Subject to the funding conditions set out in Sections 12 and 13 of this Term Sheet, the DIP Facility shall be available in multiple advances as follows:

- (a) upon the issuance of the Initial Order, \$900,000, or such lesser amount as may be approved by the Initial Order and secured in full by the DIP Lender’s Charge (the “**First Advance**”) shall be advanced to the Borrowers to finance working capital requirements for the 10-day period immediately following the date of the Initial Order; and
- (b) upon the issuance of the ARIO, the balance of the DIP Facility, being \$1,100,000, or such lesser amount as may be approved by the ARIO and secured in full by the increased DIP Lender’s Charge, shall be available to the Borrowers in multiple advances in accordance with the Cash Flow Forecast (“**Subsequent Advances**”, and together with the First Advance, collectively, “**Advances**”).

Subsequent Advances shall be made in accordance with the Cash Flow Forecast (as amended and updated from time to time in accordance with Section 14(l)), or otherwise at the discretion of the Lender upon receipt of draw requests from the CRO, on behalf of the Borrowers, and/or the Monitor. All Advances shall be deposited in a bank account of the Borrowers, which shall be controlled by the CRO.

Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the DIP Facility at any time unless: (a) the Borrowers are in compliance with the provisions of this Term Sheet and all orders granted by the Court in the CCAA Proceedings; (b) the funding conditions set forth in Section 12 or 13 of this Term Sheet, as applicable, have been satisfied or waived; and (c) the Borrowers are operating within the parameters of the Cash Flow Forecast, within an allowable variance range of no more than 10% in any particular week .

- 6. Interest:** Interest shall accrue on amounts advanced under the DIP Facility at a rate equal to 12% per annum (the “**Interest**”). Interest shall be calculated on the daily outstanding principal balance owing under the DIP Facility, not in advance, and shall accrue and be paid or otherwise satisfied on the Maturity Date (as defined herein).
- 7. Recoverable Expenses:** The Borrowers shall pay all fees and expenses (collectively, the “**Recoverable Expenses**”) incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the Initial Order, the ARIO, any other orders issued in the CCAA Proceedings, the DIP Lender’s Charge and with the enforcement of the Lender’s rights and remedies hereunder and thereunder, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender. For greater certainty, “Recoverable Expenses” shall include all reasonable fees and expenses incurred by the Lender in connection with the CCAA Proceedings, including, without limitation, all Court attendances in respect thereof. If the Lender has paid any expenses for which the Lender is entitled to reimbursement from the Borrowers, such expenses shall be added to the DIP Facility and shall accrue Interest at the rate set out above. All such fees and expenses and Interest thereon shall be secured by the DIP Lender’s Charge whether or not any funds under the DIP Facility are advanced.

Notwithstanding the foregoing, “Recoverable Expenses” shall not include fees and expenses contemplated by the Cash Flow Forecast or secured by the Administration Charge, and in no event shall there be any ‘double counting’ of fees or expenses.
- 8. Commitment Fee:** The Borrowers shall pay a commitment fee in the amount of \$40,000 (the “**Commitment Fee**”), representing 2% of the aggregate availability under the DIP Facility. The Commitment Fee shall be fully earned upon Court approval of this Term Sheet and shall be paid or otherwise satisfied on the Maturity Date. The Commitment Fee shall be secured by the DIP Lender’s Charge .
- 9. Security:** All debts, liabilities and obligations of the Borrowers to the Lender under or in connection with the DIP Facility (including, without limitation, Interest, Recoverable Expenses and the Commitment Fee), this Term Sheet and any other documents executed in connection therewith (the “**Obligations**”) shall be secured by a Court-ordered priority charge (the “**DIP Lender’s Charge**”) granted to the Lender in and to all present and future properties, assets, and undertakings of the Borrowers, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (the “**Property**”), subject only to:

 - (a) all charges and security granted by the Borrowers in favour of Firm Capital Mortgage Fund Inc. in connection with the credit facilities established for 888 in the aggregate principal amount of \$10,000,000;

- (b) an administration charge established by the Initial Order in the maximum aggregate amount of \$350,000 (which may be increased to \$750,000 under the ARIO, or such other amount as may be agreed to by the Lender in writing) for the payment of the fees and expenses of the Monitor and counsel to the Borrowers and Monitor (the “**Administration Charge**”);
- (c) a directors’ charge established in the ARIO in the maximum aggregate amount of \$700,000, or such other amount as may be agreed to by the Lender in writing, as security for the indemnity provided to the directors and officers of the Borrowers against obligations and liabilities they may incur after the commencement of the CCAA Proceedings (the “**Directors’ Charge**”);
- (d) all charges and security granted by the Borrowers in favour of Bank of Montreal in connection with the loan advanced to 888 in the aggregate principal amount of \$1,347,500;
- (e) all charges and security granted by the Borrowers in favour of Nashaat Garas, Garas Family Holding Inc. and Manal Garas Pharmacy Professional Corporation in connection with the loan advanced to 888 in the aggregate principal amount of \$2,500,000;
- (f) all charges and security granted by the Borrowers in favour of M. Higgins & Associates Limited in connection with the loan advanced to 888 in the aggregate principal amount of \$360,000;
- (g) all charges and security granted by the Borrowers in favour of Metal Tree Inc. in connection with the loan advanced to 888 in the aggregate principal amount of \$723,750;
- (h) all charges and security granted by the Borrowers in favour of Seavale Incorporated in connection with the loan advanced to 888 in the aggregate principal amount of \$452,989;
- (i) all charges and security granted by the Borrowers in favour of Venizelos Anastasiadis in connection with the vendor take-back loan advanced to 888 in the aggregate principal amount of \$450,000; and
- (j) all charges and security granted by the Borrowers in favour of 818876 Ontario Ltd. in connection with the loan advanced to 888 in the aggregate principal amount of \$374,500.

10. Maturity Date:

Unless otherwise agreed to by the Lender and the Borrowers in writing, the term of the DIP Facility shall expire, and the Borrowers shall repay the Obligations to the Lender, on the earliest of the following (the “**Maturity Date**”):

- (a) May 30, 2025;

- (b) the closing of a sale or investment transaction, including a sale of a material portion of the Property (as determined by the Lender and the Monitor), which transaction has been approved by an order of the Court;
- (c) the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majority of the Borrowers' creditors, and by an order of the Court;
- (d) the date on which the CCAA Proceedings are terminated for any reason, including if the CCAA Proceedings are converted into a proceeding under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**"); and
- (e) the occurrence of an Event of Default (as defined herein), subject to a cure period of five (5) business days, beginning on the date of the occurrence of such Event of Default (the "**Cure Period**").

11. Repayment:

The Obligations shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time without penalty (provided all accrued and unpaid Interest, Recoverable Expenses and the Commitment Fee are paid in full). If the Borrowers choose to prepay any amount owing under the DIP Facility, any such payment shall be applied: (i) first, to all accrued and unpaid Interest; (ii) second, to the Commitment Fee and Recoverable Expenses; and (iii) third, to any principal amount outstanding under the DIP Facility.

**12. Funding Conditions;
First Advance:**

The availability of the First Advance under the DIP Facility shall be subject to, and conditional upon, the satisfaction of the following conditions, which may be waived by the Lender in writing:

- (a) the Court shall have issued the Initial Order, in a form satisfactory to the Lender, including:
 - i. approving this Term Sheet and the DIP Facility;
 - ii. authorizing the CRO to execute this Term Sheet on behalf of the Borrowers;
 - iii. granting the DIP Lender's Charge in favour of the Lender in an amount no less than \$900,000 plus interest, fees and costs;
 - iv. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;
 - v. providing that the DIP Lender's Charge shall be valid and effective to secure all of the Obligations, without the necessity of the making of any registrations or filings and

whether or not any other documents have been executed by the Borrowers;

- vi. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and
 - vii. containing provisions restricting the granting of any additional liens or encumbrances on the Property of the Borrowers, other than as permitted herein and the DIP Lender's Charge.
- (b) the Initial Order shall not have been vacated, stayed, appealed, subject to leave to appeal, or amended, or varied in a manner not acceptable to the Lender, acting reasonably;
 - (c) the Lender shall have received and approved the Cash Flow Forecast, and such Cash Flow Forecast shall not have been varied or amended without the prior written consent of the Lender, and the Borrowers shall be in material compliance with respect to same;
 - (d) the Lender shall be satisfied that the Borrowers have complied with and are continuing to comply in all material respects with all applicable laws, regulations and orders of the Court in the CCAA Proceedings; and
 - (e) no Event of Default shall have occurred or shall be reasonably expected to occur as a result of the First Advance.

**13. Funding Conditions;
Subsequent
Advances:**

The availability of Subsequent Advances under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the DIP Lender in writing:

- (a) the Court shall have issued the ARIO, in a form satisfactory to the Lender, including:
 - i. confirming the enforceability of this Term Sheet and the DIP Facility;
 - ii. granting the increased DIP Lender's Charge in favour of the Lender in an amount no less than \$2,000,000 plus interest, fees and costs;

- iii. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;
 - iv. providing that the DIP Lender's Charge shall be valid and effective to secure all of the Obligations, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrowers;
 - v. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and
 - vi. containing provisions restricting the granting of any additional liens or encumbrances on the Property of the Borrowers, other than as permitted herein and the DIP Lender's Charge.
- (b) the ARIO shall not have been vacated, stayed, appealed, subject to leave to appeal, or amended, or varied in a manner not acceptable to the Lender, acting reasonably;
 - (c) the Lender shall have received and approved the Cash Flow Forecast, and such Cash Flow Forecast shall not have been varied or amended without the prior written consent of the Lender, and the Borrowers shall be in material compliance with respect to same;
 - (d) the Lender shall be satisfied that the Borrowers have complied with and are continuing to comply in all material respects with all applicable laws, regulations and orders of the Court in the CCAA Proceedings; and
 - (e) no Event of Default shall have occurred or shall be reasonably expected to occur as a result of the requested Advance.

14. Covenants:

Until such time as the Obligations have been repaid to the Lender in full, the Borrowers covenant and agree to:

- (a) provide the Lender with any additional financial information reasonably requested by the Lender, in its absolute, sole, and unfettered discretion;

- (b) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 4 of this Term Sheet, or such other purposes as may be agreed to by the Lender and the Monitor, in writing.
- (c) provide the Lender and the Monitor with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default;
- (d) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
- (e) provide the Lender and its advisors, on reasonable written notice and during normal business hours, full access to the books and records of the Borrowers;
- (f) pay all claims which, under law, may rank prior to or *pari passu* with the DIP Lender's Charge due and payable from and after the commencement of the CCAA Proceedings, as and when such amounts are due ;
- (g) not declare any dividend, or make any payment to any director, officer, investor or related party of the Borrowers (except salary and wages in the normal course) without the prior written consent of the Lender;
- (h) keep the Borrowers' Property fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets;
- (i) conduct all business, operations and activities in compliance with the Cash Flow Forecast;
- (j) not, without the prior written consent of the Lender, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge, the Directors' Charge and the DIP Lender's Charge) over any of the Borrowers' Property, whether ranking in priority to, or subordinate to, the DIP Lender's Charge; and
- (k) comply with all orders of the Court in the CCAA Proceedings and all applicable laws.

15. Events of Default:

The DIP Facility shall be subject to the following events of default (each, an **"Event of Default"**):

- (a) the Borrowers' failure to pay any amount due hereunder when due and payable;
- (b) the Borrowers' failure to comply with or fulfill, to the satisfaction

of the Lender, any covenant, condition precedent, payment obligation, or other term or condition of this Term Sheet or any other document entered into in connection with this Term Sheet;

- (c) the seeking or support by any Borrower of, or the issuance of, any Court order (in the CCAA Proceedings or otherwise) which is adverse to the interests of the Lender, including, for certainty but without limitation, any change to the DIP Facility or the DIP Lender's Charge (or the relative priority thereof) without the Lender's consent;
- (d) the failure of the Borrowers to comply with the Initial Order, the ARIO, or any other Court order in the CCAA Proceedings;
- (e) the occurrence of an event that will, in the reasonable opinion of the Lender, materially impair the Borrowers' financial condition, operations or ability to perform under this Term Sheet or any order of the Court;
- (f) the occurrence of any material adverse change in: (i) the business, operations, or financial condition of the Borrowers; (ii) the Property of the Borrowers; (iii) the DIP Lender's Charge, including its relative priority; (iv) the ability of the Borrowers to perform their obligations to the Lender or to any person under any material contract; (v) the Lender's ability to enforce any of its rights or remedies against the Borrowers' Property, or for the obligations of the Borrowers to be satisfied from the realization thereof;
- (g) any of the Borrowers become bankrupt or subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager, or trustee in bankruptcy is appointed in respect of any Borrower, or any Borrower's Property;
- (h) the acceptance of any offer, or the filing of a motion seeking approval of the Court to accept any such offer, unless the total indebtedness owing by the Borrowers under the DIP Facility is to be paid in full in cash upon completion of the transaction resulting from such offer;
- (i) the filing of any plan of reorganization, arrangement or liquidation to which the Lender does not consent;
- (j) the sale, transfer, assignment, conveyance or lease of substantially all of the business or assets of the Borrowers, except as approved by the Lender in writing; and
- (k) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter after the Initial Order, the purpose of which is to seek, or the result of which would be, to obtain any order, judgment, determination, declaration or

similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrowers under the DIP Facility, the DIP Lender's Charge or its priority; (ii) for monetary, injunctive or other relief against the Lender or the Borrowers' Property; or (iii) preventing, hindering or otherwise delaying the exercise by the Lender of any of its rights and remedies hereunder, pursuant to the Initial Order, the ARIIO, or under applicable law, or the enforcement or realization by the Lender against any of its collateral.

16. Remedies and Enforcement:

Following the occurrence of an Event of Default, and the expiration of the Cure Period, upon written notice to the Borrowers and the Monitor, the Lender shall have the right, subject to the Lender obtaining an Order from the Court lifting the stay under the CCAA Proceedings, to:

- (a) seek the appointment of a receiver, an interim receiver or a receiver and manager over the Property of the Borrowers, or to seek the appointment of a trustee in bankruptcy of the Borrowers;
- (b) enforce the DIP Lender's Charge and realize on the Property of the Borrowers and any other collateral securing the Obligations;
- (c) exercise the rights and powers of a secured lender and mortgagee pursuant to the *Personal Property Security Act* (Ontario), the *Mortgages Act* (Ontario) and any legislation of similar effect; and
- (d) exercise all such other rights and remedies available to the Lender under this Term Sheet, the Initial Order, the ARIIO or any other order of the Court or applicable law.

No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

17. Amendments; Waivers:

No amendment or waiver of any provision of this Term Sheet or consent to any departure by the Borrowers from any provision hereof is effective unless it is in writing and signed by the Lender. Such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

18. Timing:

Time is of the essence in this Term Sheet and the DIP Facility and all transactions contemplated thereby.

19. Severability:

Each of the provisions contained in this Term Sheet is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

20. Further Assurances:

The Borrowers will, at their own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to the provisions set out herein.

- 21. Assignment:** The Borrowers shall not assign their rights or obligations under this Term Sheet or any of the provisions set out herein without the prior written consent of the Lender. The Lender may assign or sell its rights or obligations under this Term Sheet to any person without the prior written consent of the Borrowers.
- 22. Governing Law:** This Term Sheet and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 23. Currency:** All dollar amounts herein are in Canadian Dollars.
- 24. Counterparts:** This Term Sheet may be executed in any number of counterparts, each of which when taken together shall constitute one and the same instrument. Any counterpart of this Term Sheet can be executed and delivered by any manner of direct electronic transmission each of which shall be deemed to be an original hereof.
- 25. Acceptance:** This Term Sheet is open for acceptance until 9:00 p.m. (Toronto time) on January 24, 2025. The Borrowers may accept this Term Sheet by returning a countersigned copy of this Term Sheet to the Lender.

Dated as of the date first written above.

THE VANCOR GROUP INC.

Signed by:
Per: 
Name: Corry Van Iersel
Title: Authorized Signatory
I have authority to bind the corporation.

ACCEPTANCE

TO THE LENDER:

For good and valuable consideration received, 2744364 Ontario Limited o/a True North Cannabis Company, 2767888 Ontario Inc., and 2668905 Ontario Inc. o/a Bamboo Blaze hereby accept and agree to comply with the provisions of the Term Sheet set out above, on a joint and several basis.

Dated this ____ day of January, 2025.

2744364 ONTARIO LIMITED o/a TRUE NORTH CANNABIS COMPANY

Per: _____

Name: Shawn Dym

Title: Chief Restructuring Officer

I have authority to bind the corporation.

2767888 ONTARIO INC.

Per: _____

Name: Shawn Dym

Title: Chief Restructuring Officer

I have authority to bind the corporation.

2668905 ONTARIO INC. o/a BAMBOO BLAZE

Per: _____

Name: Shawn Dym

Title: Chief Restructuring Officer

I have authority to bind the corporation.

Court File No. CV-25-00735482-00CL

THE VANCOUR GROUP INC.
Applicant

and

2744364 ONTARIO LIMITED, *ET AL*
Respondents (Debtors)

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at Toronto

AFFIDAVIT OF CORRY VAN IERSEL
(Affirmed January 23, 2025)

Larry Ellis LSO# 49313K

Email: lellis@millerthomson.com

Tel: 416.595.8639

David S. Ward LSO#: 33541W

Email: dward@millerthomson.com

Tel: 416.595.8625

Patrick Corney LSO# 65462N

Email: pcorney@millerthomson.com

Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.

TAB 3

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

THE HONOURABLE) FRIDAY, THE 24TH
) DAY OF JANUARY, 2025
JUSTICE PENNY)

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

B E T W E E N:

THE VANCOR GROUP INC.

Applicant

and

2744364 ONTARIO LIMITED o/a TRUE NORTH CANNABIS CO, 2668905
ONTARIO INC. o/a BAMBOO BLAZE, AND 2767888 ONTARIO INC.

Respondents (Debtors)

INITIAL ORDER

THIS APPLICATION, made by The Vancor Group Inc. (the “**Applicant**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the affidavit of Cory Van Iersel sworn January 23, 2025 (the “**Van Iersel Affidavit**”) and the Exhibits thereto, and the pre-filing report (the “**Pre-Filing Report**”) of Deloitte Restructuring Inc. (“**Deloitte**”) dated January 23, 2025, in its capacity as proposed CCAA monitor (the “**Monitor**”) of 2744364 Ontario Limited, 2668905 Ontario Inc., and 2767888 Ontario Inc. (together, the “**Debtors**”), and on hearing the submissions of counsel for the Applicant, counsel for the Debtors, counsel for Deloitte in its capacity as proposed Monitor, and such other parties listed on the Counsel Slip, with no one else appearing although duly served as

appears from the affidavit of service of ● affirmed January 23, 2025, filed, and on reading the consent of Deloitte to act as the Monitor:

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Debtors are companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

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

4. **THIS COURT ORDERS** that the Debtors shall be entitled to continue to utilize the central cash management system currently in place as described in the Van Iersel Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Debtors of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Debtors, pursuant

to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Debtors, in accordance with the cash flow forecast appended to the Pre-Filing Report (the “**Cash Flow Forecast**”) shall be entitled but not required to pay, subject to the Definitive Documents (as hereinafter defined), the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, and vacation pay payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Debtors in respect of these proceedings, at their standard rates and charges;
- (c) principal and/or interest payable to Secured Creditors (as defined in the Van Iersel Affidavit), in accordance with the Cash Flow Forecast; and
- (d) with the consent of the Monitor, amounts owing for goods actually supplied to the Debtors prior to the date of this Order by the Ontario Cannabis Store but not yet paid for.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the Definitive Documents, the Debtors shall be entitled but not required to pay all reasonable expenses incurred by the Debtors in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

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

- (b) payment for goods or services actually supplied to the Debtors following the date of this Order.

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

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

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Debtors shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Debtors and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly in equal payments on the 1st day of each month. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Debtors are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Debtors to any of their creditors as of

this date, except for such amounts payable to Secured Creditors in accordance with the Cash Flow Forecast; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Debtors shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents, have the right to operate the Business in the ordinary course pending the return hearing on the Comeback Date (as hereinafter defined).

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

11. **THIS COURT ORDERS** that until and including February 3, 2025, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Debtors or the Monitor or their respective directors, officers, employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Debtors and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Debtors and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Debtors or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Debtors and the Monitor, or leave of this Court, *however*, notwithstanding any other provisions of this Order, the rights and remedies of Firm Capital Mortgage Fund Inc. (“**Firm Capital**”) shall be entirely unaffected by this Order. Furthermore, nothing in this Order shall (i) empower the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by

a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

APPOINTMENT OF MONITOR

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

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

- (a) monitor the Debtors' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Debtors, to the extent required by the Debtors, in their dissemination to the DIP Lender, and its counsel, of financial and other information as agreed by the Debtors and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

- (d) advise the Debtors in their preparation of the Debtors' cash flow statements;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtors, to the extent that is necessary to adequately assess the Debtors' business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

19. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property, nor be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act* S.C. 2018, c. 16, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Excise Act, 2001*, S.C. 2002, c. 22, as amended, the *Ontario Cannabis Licence Act*, S.O. 2018, c. 12, Sched. 2, as amended, the *Ontario Cannabis Control Act*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act*, 2017, S.O. 2017, c. 26, as amended, the *British Columbia Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, as amended, the *British Columbia Cannabis Distribution Act*, S.B.C. 2018, c. 28, as amended, the *Alberta Gaming, Liquor and Cannabis Act*, R.S.A. 2000, c. G-1, as amended, the *Alberta Gaming, Liquor and Cannabis Regulation*, Alta. Reg. 143/996, as amended, *The Cannabis Control (Saskatchewan) Act*, S.S. 2018, c. C-2.111, as amended, the *Saskatchewan Cannabis Control (Saskatchewan) Regulations*, R.R.S. c. C-2.111 Reg. 1, the *Manitoba The Liquor, Gaming and Cannabis Control Act*, C.C.S.M. c. L153, as amended, the *Manitoba Cannabis Regulation*, M.R. 120/2018, as amended, the *Newfoundland and Labrador Cannabis Control Act*, S.N.L. 2018, c. C-4.1, as amended, the *Newfoundland and Labrador Cannabis Control Regulations*, NLR. Reg. 93/18, as amended, the *Newfoundland and Labrador Cannabis Licensing and Operations Regulations*, NLR. Reg. 94/18, as amended, the *Nova Scotia Cannabis Control Act*, S.N.S. 2018, c 3, as amended, the *Nova Scotia Cannabis Retail Regulations*, NS. Reg. 203/2019, the *Prince Edward*

Island *Cannabis Control Act*, R.S.P.E.I. 1998, c. C-1.2, as amended, the Prince Edward Island *Cannabis Control Regulations*, P.E.I. Reg. EC575/18, as amended, the New Brunswick *Cannabis Control Act*, S.N.B. 2018, c. 2, the Yukon *Cannabis Control and Regulation Act*, S.Y. 2018, c. 4, as amended, the Yukon *Cannabis Control and Regulation*, Y.O.I.C. 2018/139, the Yukon *Cannabis Control and Regulation General Regulation*, Y.O.I.C. 2018/184, the Yukon *Cannabis Licensing Regulation*, Y.O.I.C. 2019/43, the Yukon *Cannabis Remote Sales Regulation*, Y.O.I.C. 2022/29, the Northwest Territories *Cannabis Legalization and Regulation Implementation Act*, S.N.W.T. 2018, c. 6, as amended, or other such applicable federal, provincial or other legislation or regulations (collectively, the “**Cannabis Legislation**”), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

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

21. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Debtors and the DIP Lender with information provided by the Debtors in response to reasonable requests

for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Debtors is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Debtors may agree.

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

23. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO (as hereinafter defined), counsel to the Debtors, and counsel to the Applicant shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order, by the Debtors as part of the costs of these proceedings, whether incurred prior to, on, or subsequent to the date of this Order. The Debtors are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO, counsel for the CRO, counsel for the Debtors, and counsel for the Applicant on a weekly basis and, in addition, the Debtors are hereby authorized to pay to the Monitor, counsel to the Monitor, the CRO, and counsel to the Applicant, retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

25. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO, counsel to the Debtors, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$350,000, as security for their professional fees and disbursements incurred

at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 32 and 34 hereof.

DIP FINANCING

26. **THIS COURT ORDERS** that the Debtors are hereby authorized and empowered to obtain and borrow, on a joint and several basis, under the debtor-in-possession term sheet dated as of January 23, 2025 among the Debtors, as the borrowers, and the DIP Lender, as lender (as may be amended, restated, supplemented and/or modified from time to time, the “**DIP Term Sheet**”), in order to finance the Debtors’ working capital requirements, other general corporate purposes, accrued interest, expenses, and capital expenditures, all in accordance with the terms of the DIP Term Sheet, provided that borrowings under the DIP Term Sheet shall not exceed \$900,000 plus interest, fees and expenses, unless permitted by further Order of this Court (the “**DIP Facility**”).

27. **THIS COURT ORDERS** that the Debtors, through the CRO, are hereby authorized and empowered to execute and deliver the DIP Term Sheet, together with such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (as may be amended, restated, supplemented and/or modified from time to time, and collectively with the DIP Term Sheet, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Debtors are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, expenses, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the other Definitive Documents (collectively, the “**DIP Obligations**”) as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

28. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property as security for any and all DIP Obligations. The DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 32 and 34 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender may cease making advances to the Debtors and may make demand, accelerate payment and give other notices, and, upon five (5) business days notice to the Debtors and the Monitor, may exercise any and all of its other rights and remedies against the Debtors or the Property under or pursuant to the Definitive Documents and the DIP Lender's Charge, including without limitation, to set off and/or consolidate any amounts owing by the DIP Lender to the Debtors against the obligations of the Debtors to the DIP Lender under the Definitive Documents or the DIP Lender's Charge, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Debtors, or any one of them, and for the appointment of a trustee in bankruptcy of the Debtors, or any one of them; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtors, or any one of them, or the Property.

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

31. **THIS COURT ORDERS** that, notwithstanding anything to the contrary herein, this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights, or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as

issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

32. **THIS COURT ORDERS** that, subject in all respects to the security in favour of Firm Capital, which shall continue to have priority over and be unaffected by all charges granted pursuant to this Order, the priority of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$350,000); and

Second – DIP Lender's Charge (to the maximum amount of \$900,000 plus interest, fees, and expenses).

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

34. **THIS COURT ORDERS** that the Charges shall constitute a charge on the Property and such charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, *except* that (A) all Charges shall rank subordinate to any and all indebtedness owing to Firm Capital and all security in favour of Firm Capital to secure such indebtedness; and (B) the DIP Lender's Charge shall rank subordinate to any and all amounts due and payable to the other Secured Creditors.

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

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

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

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

38. **THIS COURT ORDERS** that Shawn Dym is hereby appointed as the Chief Restructuring Officer (“**CRO**”) over and in respect of the Debtors and shall have the powers and obligations set

out in the engagement agreement between the Debtors and the CRO dated January 23, 2025 (the “**CRO Engagement**”) and enclosed with confidential appendix “A” to the Pre-Filing Report.

39. **THIS COURT ORDERS** that the CRO Engagement is hereby approved, subject to such minor amendments as the parties thereto may agree to with the Monitor’s consent. Heithem Dahrouj (Vice President, Finance of the Debtors) is hereby authorized and empowered to execute the CRO Engagement in the form enclosed with confidential appendix “A” to the Pre-Filing Report and the Debtors are hereby authorized and directed to perform all of their obligations pursuant to the CRO Engagement.

40. **THIS COURT ORDERS** that subject to the terms of this Order, the CRO is hereby authorized to assist the Applicant, the Monitor, and the Debtors and to do all things, carry out all actions and perform all duties described in the CRO Engagement.

41. **THIS COURT ORDERS** that in addition to the rights and protections afforded to the CRO by this Court, the CRO shall not be deemed to be a director, officer or trustee of the Debtors. The CRO shall not take Possession of the Property and shall not, by fulfilling his obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof, for the purposes of the Cannabis Legislation and the Environmental Legislation, or otherwise, and shall be extended the same protections afforded to the Monitor under paragraphs 19 and 20 above.

42. **THIS COURT ORDERS** that the CRO shall not incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save an except for any liability or obligation incurred as a result of the CRO’s gross negligence or wilful misconduct. The Debtors shall indemnify the CRO against obligations and liabilities that he may incur as CRO after the commencement of the within proceedings except to the extent that the obligation was incurred as a result of the CRO’s gross negligence or wilful misconduct.

43. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, and all rights and remedies of any Person against or in respect of the CRO are hereby stayed and suspended, except with: (a) written consent of the CRO and the Monitor; or (b) leave of this Court.

SERVICE AND NOTICE

44. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (b) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail addresses last shown in the Debtors' records, a notice to every known creditor who has a claim against any of the Debtors of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names, and addresses or individual creditors publicly available unless otherwise ordered by this Court.

45. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ● (the "**Monitor's Website**").

46. **THIS COURT ORDERS** that the Monitor shall create, maintain, and update (as necessary) a list of all Persons appearing on their own behalf or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service list, as may be updated from time to time, on the Monitor's Website, provided that the Monitor shall have no liability in respect of the accuracy of or the timeliness of making such changes to the Service List.

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

copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

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

SEALING

49. **THIS COURT ORDERS** that confidential appendix "A" to the Pre-Filing Report, which contains an unredacted copy of the CRO Engagement, shall be sealed and kept confidential pending the earlier of (i) the termination of these CCAA proceedings or (ii) further Order of this Court, and shall not form part of the public record.

COMEBACK MOTION

50. **THIS COURT ORDERS** that the return hearing for the amendment and restatement of this Order shall be heard on February 3, 2025 (the "**Comeback Date**").

GENERAL

51. **THIS COURT ORDERS** that the Debtors, the Applicant, the CRO, or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

52. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Debtors, the Business or the Property.

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

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

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

56. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order, without the need entry and filing.

THE VANCOR GROUP INC.

Applicant

and

2744364 ONTARIO LIMITED o/a TRUE
NORTH CANNABIS CO *et al.*
Respondents (Debtors)

Court File No. CV-25-00735482-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at
Toronto

**INITIAL ORDER
(MOTION RETURNABLE JANUARY 24, 2025)**

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto ON M5H 3S1

Larry Ellis LSO#: 49313K

lellis@millerthomson.com

Tel: 416.595.8639

David Ward LSO#: 33541W

dward@millerthomson.com

Tel: 416.595.8625

Patrick Corney LSO#: 65462N

pcorney@millerthomson.com

Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.

TAB 4

Court File No. —: CV-25-00735482-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) ~~WEEKDAY~~FRIDAY, THE #
)
JUSTICE —PENNY) 24TH
) DAY OF ~~MONTH, 20YR~~JANUARY,
 2025

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

~~AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF [APPLICANT'S NAME] (the "Applicant")~~

BETWEEN:

THE VANCOR GROUP INC.

Applicant

and

2744364 ONTARIO LIMITED o/a TRUE NORTH CANNABIS CO, 2668905
ONTARIO INC. o/a BAMBOO BLAZE, AND 2767888 ONTARIO INC.

Respondents (Debtors)

INITIAL ORDER

THIS APPLICATION, made by The Vancor Group Inc. (the "Applicant"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference via Zoom.

ON READING the affidavit of ~~[NAME]~~Cory Van Iersel sworn ~~[DATE]~~January 23, 2025 (the "Van Iersel Affidavit") and the Exhibits thereto, and ~~on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice~~the

pre-filing report (the “Pre-Filing Report”) of Deloitte Restructuring Inc. (“Deloitte”) dated January 23, 2025, in its capacity as proposed CCAA monitor (the “Monitor”) of 2744364 Ontario Limited, 2668905 Ontario Inc., and 2767888 Ontario Inc. (together, the “Debtors”), and on hearing the submissions of counsel for [NAMES], the Applicant, counsel for the Debtors, counsel for Deloitte in its capacity as proposed Monitor, and such other parties listed on the Counsel Slip, with no one else appearing for [NAME]¹ although duly served as appears from the affidavit of service of [NAME] sworn [DATE]● affirmed January 23, 2025, filed, and on reading the consent of [MONITOR’S NAME] Deloitte to act as the Monitor;

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the ~~Applicant is a company~~ Debtors are companies to which the CCAA applies.

~~PLAN OF ARRANGEMENT~~

~~3. — THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “Plan”).~~

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

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

5. ~~6.~~ **THIS COURT ORDERS** that the ~~Applicant~~Debtors, in accordance with the cash flow forecast appended to the Pre-Filing Report (the “**Cash Flow Forecast**”) shall be entitled but not required to pay, subject to the Definitive Documents (as hereinafter defined), the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, and vacation pay ~~and expenses~~ payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; ~~and~~
- (b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Debtors in respect of these proceedings, at their standard rates and charges;
- (c) principal and/or interest payable to Secured Creditors (as defined in the Van Iersel Affidavit), in accordance with the Cash Flow Forecast; and
- (d) with the consent of the Monitor, amounts owing for goods actually supplied to the Debtors prior to the date of this Order by the Ontario Cannabis Store but not yet paid for.

6. ~~7.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the Definitive Documents, the ~~Applicant~~Debtors shall be entitled but not required to pay all reasonable expenses incurred by the ~~Applicant~~Debtors in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the ~~Applicant~~Debtors following the date of this Order.

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

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

8. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for-resiliated~~⁴ in accordance with the CCAA, the ~~Applicant~~Debtors shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the ~~Applicant~~Debtors and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, ~~twice~~-monthly in equal payments on the ~~first and fifteenth~~ 1st day of each month;

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

~~in advance (but not in arrears).~~ On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant~~ is Debtors are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~ Debtors to any of ~~its~~ their creditors as of this date, except for such amounts payable to Secured Creditors in accordance with the Cash Flow Forecast; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~ their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. ~~11.~~ **THIS COURT ORDERS** that the ~~Applicant~~ Debtors shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents ~~(as hereinafter defined), have the right to:~~ have the right to operate the Business in the ordinary course pending the return hearing on the Comeback Date (as hereinafter defined).

~~(a) — permanently or temporarily cease, downsize or shut down any of its business or operations, [and to dispose of redundant or non-material assets not exceeding \$● in any one transaction or \$● in the aggregate]⁵~~

~~(b) — [terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate]; and~~

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

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

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

~~12. — THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims ~~[or resiliates]~~ the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~[or resiliation]~~ of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.~~

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

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

11. ~~14. — THIS COURT ORDERS~~ that until and including ~~[DATE — MAX. 30 DAYS]~~February 3, 2025, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the ~~Applicant~~Debtors or the Monitor or their respective directors, officers, employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Debtors and the Monitor, or with leave of this Court, and any and all Proceedings currently under way

against or in respect of the ~~Applicant~~Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the Debtors and the Monitor.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

14. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, security services, payroll services, insurance, transportation services, utility or other services to the Business or the ~~Applicant~~Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with,

suspending, or terminating the supply of such goods or services as may be required by the ~~Applicant Debtors~~, and that the ~~Applicant Debtors~~ shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant Debtors~~ in accordance with normal payment practices of the ~~Applicant Debtors~~ or such other practices as may be agreed upon by the supplier or service provider and each of the ~~Applicant Debtors~~ and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

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

~~DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE~~

20. — ~~THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.~~

21. — ~~THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$●, as security for the indemnity provided in paragraph [20] of this Order. The Directors' Charge shall have the priority set out in paragraphs [38] and [40] herein.~~

22. — ~~THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph [20] of this Order.~~

APPOINTMENT OF MONITOR

17. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~Deloitte is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~Debtors with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~Debtors and ~~its~~their shareholders, officers, directors, and

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

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

Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~Debtors pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

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

- (a) monitor the ~~Applicant's~~Debtors' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the ~~Applicant~~Debtors, to the extent required by the ~~Applicant~~Debtors, in ~~its~~their dissemination, to the DIP Lender, and its counsel ~~on a [TIME INTERVAL] basis,~~ of financial and other information as agreed ~~to between~~by the ~~Applicant~~Debtors and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the ~~Applicant~~Debtors in ~~its~~their preparation of the ~~Applicant~~Debtors' cash flow statements ~~and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~
- ~~(e) — advise the Applicant in its development of the Plan and any amendments to the Plan;~~
- ~~(f) — assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;~~
- (e) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Debtors, to the extent that is necessary to adequately assess the ~~Applicant's~~Debtors' business and financial affairs or to perform its duties arising under this Order;

(f) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

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

19. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property, nor be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act* S.C. 2018, c. 16, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Excise Act, 2001*, S.C. 2002, c. 22, as amended, the *Ontario Cannabis Licence Act*, S.O. 2018, c. 12, Sched. 2, as amended, the *Ontario Cannabis Control Act*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act*, 2017, S.O. 2017, c. 26, as amended, the *British Columbia Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, as amended, the *British Columbia Cannabis Distribution Act*, S.B.C. 2018, c. 28, as amended, the *Alberta Gaming, Liquor and Cannabis Act*, R.S.A. 2000, c. G-1, as amended, the *Alberta Gaming, Liquor and Cannabis Regulation*, Alta. Reg. 143/996, as amended, the *The Cannabis Control (Saskatchewan) Act*, S.S. 2018, c. C-2.111, as amended, the *Saskatchewan Cannabis Control (Saskatchewan) Regulations*, R.R.S. c. C-2.111 Reg. 1, the *Manitoba The Liquor, Gaming and Cannabis Control Act*, C.C.S.M. c. L153, as amended, the *Manitoba Cannabis Regulation*, M.R. 120/2018, as amended, the *Newfoundland and Labrador Cannabis Control Act*, S.N.L. 2018, c. C-4.1, as amended, the *Newfoundland and Labrador Cannabis Control Regulations*, NLR. Reg. 93/18, as amended, the *Newfoundland and Labrador Cannabis Licensing and Operations Regulations*, NLR. Reg. 94/18, as amended, the *Nova Scotia Cannabis Control Act*, S.N.S. 2018, c. 3, as amended, the *Nova Scotia Cannabis Retail Regulations*, NS. Reg. 203/2019, the *Prince Edward Island Cannabis Control Act*, R.S.P.E.I. 1998, c. C-1.2, as amended, the *Prince Edward Island Cannabis Control Regulations*, PEI. Reg. EC575/18, as amended, the *New Brunswick Cannabis Control Act*, S.N.B. 2018, c. 2, the *Yukon Cannabis Control and Regulation Act*, S.Y. 2018, c. 4, as amended, the *Yukon Cannabis Control and Regulation*, YOIC. 2018/139, the *Yukon Cannabis Control and Regulation General*

Regulation, YOIC. 2018/184, the Yukon Cannabis Licensing Regulation, YOIC. 2019/43, the Yukon Cannabis Remote Sales Regulation, YOIC. 2022/29, the Northwest Territories Cannabis Legalization and Regulation Implementation Act, S.N.W.T. 2018, c. 6, as amended, or other such applicable federal, provincial or other legislation or regulations (collectively, the “Cannabis Legislation”), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

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

21. ~~27.~~ **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the ~~Applicant~~ Debtors and the DIP Lender with information provided by the ~~Applicant~~ Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the

Monitor has been advised by the ~~Applicant~~Debtors is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~Debtors may agree.

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

23. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO (as hereinafter defined), counsel to the Debtors, and counsel to the Applicant shall be paid their reasonable fees and disbursements (including pre-filing fees and disbursements), in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order, by the ~~Applicant~~Debtors as part of the costs of these proceedings, whether incurred prior to, on, or subsequent to the date of this Order. The ~~Applicant is~~Debtors are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO, counsel for the CRO, counsel for the Debtors, and counsel for the Applicant on a ~~[TIME INTERVAL]~~weekly basis and, in addition, the ~~Applicant is~~Debtors are hereby authorized to pay to the Monitor, counsel to the Monitor, the CRO, and counsel to the Applicant, retainers ~~in the amount[s] of \$●-[, respectively,]~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

25. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any~~the CRO, counsel to the Debtors, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$●350,000, as security for their professional fees and

disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~38~~32 and ~~40~~34 hereof.

DIP FINANCING

26. ~~32.~~ **THIS COURT ORDERS** that the ~~Applicant is~~Debtors are hereby authorized and empowered to obtain and borrow ~~under a credit facility from [DIP LENDER'S NAME] (, on a joint and several basis, under the debtor-in-possession term sheet dated as of January 23, 2025 among the Debtors, as the borrowers, and the DIP Lender, as lender (as may be amended, restated, supplemented and/or modified from time to time, the "DIP Lender"Term Sheet"), in order to finance the Applicant'sDebtors' working capital requirements—and, other general corporate purposes, accrued interest, expenses, and capital expenditures, all in accordance with the terms of the DIP Term Sheet, provided that borrowings under such credit facilitythe DIP Term Sheet shall not exceed \$●900,000 plus interest, fees and expenses, unless permitted by further Order of this Court.~~

~~33.— THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed (the "DIP Facility").~~

27. ~~34.~~ **THIS COURT ORDERS** that the ~~Applicant is~~Debtors, through the CRO, are hereby authorized and empowered to execute and deliver the DIP Term Sheet, together with such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (as may be amended, restated, supplemented and/or modified from time to time, and collectively with the DIP Term Sheet, the "Definitive Documents"), as are contemplated by the ~~Commitment Letter~~DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the ~~Applicant is~~Debtors are hereby authorized and directed to pay and perform all of ~~its~~their indebtedness, interest, fees, expenses, liabilities and obligations to the DIP Lender under and pursuant to the ~~Commitment Letter~~DIP Term Sheet and the other Definitive Documents (collectively, the "DIP Obligations") as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

28. ~~35.~~ **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, ~~which~~ as security for any and all DIP Obligations. The DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~38~~32 and ~~40~~34 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender may cease making advances to the Debtors and may make demand, accelerate payment and give other notices, and, upon ~~five~~ (5) business days notice to the ~~Applicant~~Debtors and the Monitor, may exercise any and all of its other rights and remedies against the ~~Applicant~~Debtors or the Property under or pursuant to the ~~Commitment Letter,~~ Definitive Documents and the DIP Lender's Charge, including without limitation, to ~~cease making advances to the Applicant and~~ set off and/or consolidate any amounts owing by the DIP Lender to the ~~Applicant~~Debtors against the obligations of the ~~Applicant~~Debtors to the DIP Lender under ~~the Commitment Letter,~~ the Definitive Documents or the DIP Lender's Charge, ~~to make demand, accelerate payment and give other notices,~~ or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the ~~Applicant~~Debtors, or any one of them, and for the appointment of a trustee in bankruptcy of the ~~Applicant~~Debtors, or any one of them; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the ~~Applicant~~Debtors, or any one of them, or the Property.

30. ~~37.~~ **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the ~~Applicant~~Debtors under the

CCAA, or any proposal filed by the ~~Applicant~~Debtors under the *Bankruptcy and Insolvency Act* of (Canada) (the "BIA"), with respect to any advances made under the Definitive Documents.

31. THIS COURT ORDERS that, notwithstanding anything to the contrary herein, this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "Variation"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights, or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

32. ~~38.~~ **THIS COURT ORDERS** that ~~the priorities of the Directors' Charge,~~ subject in all respects to the security in favour of Firm Capital, which shall continue to have priority over and be unaffected by all charges granted pursuant to this Order, the priority of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows⁹:

First ~~—~~ Administration Charge (to the maximum amount of \$~~●~~350,000); and

Second ~~—~~ DIP Lender's Charge; ~~and~~

~~Third — Directors' Charge~~ (to the maximum amount of \$~~●~~900,000 plus interest, fees, and expenses).

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

33. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges")~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34. ~~40.~~ **THIS COURT ORDERS** that ~~each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~ the Charges shall constitute a charge on the Property and such ~~Charges~~ charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, except that (A) all Charges shall rank subordinate to any and all indebtedness owing to Firm Capital and all security in favour of Firm Capital to secure such indebtedness; and (B) the DIP Lender's Charge shall rank subordinate to any and all amounts due and payable to the other Secured Creditors.

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

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

in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant Debtors, and notwithstanding any provision to the contrary in any Agreement:

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

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

38. THIS COURT ORDERS that Shawn Dym is hereby appointed as the Chief Restructuring Officer ("CRO") over and in respect of the Debtors and shall have the powers and obligations set out in the engagement agreement between the Debtors and the CRO dated January 23, 2025 (the "CRO Engagement") and enclosed with confidential appendix "A" to the Pre-Filing Report.

39. THIS COURT ORDERS that the CRO Engagement is hereby approved, subject to such minor amendments as the parties thereto may agree to with the Monitor's consent. Heithem

Dahrouj (Vice President, Finance of the Debtors) is hereby authorized and empowered to execute the CRO Engagement in the form enclosed with confidential appendix “A” to the Pre-Filing Report and the Debtors are hereby authorized and directed to perform all of their obligations pursuant to the CRO Engagement.

40. **THIS COURT ORDERS** that subject to the terms of this Order, the CRO is hereby authorized to assist the Applicant, the Monitor, and the Debtors and to do all things, carry out all actions and perform all duties described in the CRO Engagement.

41. **THIS COURT ORDERS** that in addition to the rights and protections afforded to the CRO by this Court, the CRO shall not be deemed to be a director, officer or trustee of the Debtors. The CRO shall not take Possession of the Property and shall not, by fulfilling his obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof, for the purposes of the Cannabis Legislation and the Environmental Legislation, or otherwise, and shall be extended the same protections afforded to the Monitor under paragraphs 19 and 20 above.

42. **THIS COURT ORDERS** that the CRO shall not incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save an except for any liability or obligation incurred as a result of the CRO’s gross negligence or wilful misconduct. The Debtors shall indemnify the CRO against obligations and liabilities that he may incur as CRO after the commencement of the within proceedings except to the extent that the obligation was incurred as a result of the CRO’s gross negligence or wilful misconduct.

43. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, and all rights and remedies of any Person against or in respect of the CRO are hereby stayed and suspended, except with: (a) written consent of the CRO and the Monitor; or (b) leave of this Court.

SERVICE AND NOTICE

44. **THIS COURT ORDERS** that the Monitor shall (~~ia~~) without delay, publish in ~~[newspapers specified by the Court]~~the Globe & Mail (National Edition) a notice containing the

information prescribed under the CCAA, (~~it~~b) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail addresses last shown in the Debtors' records, a notice to every known creditor who has a claim against any of the Applicant Debtors of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder; provided that the Monitor shall not be required to make the claims, names, and addresses or individual creditors publicly available unless otherwise ordered by this Court.

45. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~‘@’~~ ● (the “**Monitor’s Website**”).

46. **THIS COURT ORDERS** that the Monitor shall create, maintain, and update (as necessary) a list of all Persons appearing on their own behalf or by counsel in this proceeding (the “**Service List**”). The Monitor shall post the Service list, as may be updated from time to time, on the Monitor’s Website, provided that the Monitor shall have no liability in respect of the accuracy of or the timeliness of making such changes to the Service List.

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

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

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

SEALING

49. **THIS COURT ORDERS** that confidential appendix "A" to the Pre-Filing Report, which contains an unredacted copy of the CRO Engagement, shall be sealed and kept confidential pending the earlier of (i) the termination of these CCAA proceedings or (ii) further Order of this Court, and shall not form part of the public record.

COMEBACK MOTION

50. **THIS COURT ORDERS** that the return hearing for the amendment and restatement of this Order shall be heard on February 3, 2025 (the "**Comeback Date**").

GENERAL

51. ~~47.~~ **THIS COURT ORDERS** that the Debtors, the Applicant, the CRO, or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

52. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the ~~Applicant~~Debtors, the Business or the Property.

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

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

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

56. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order, without the need entry and filing.

THE VANCOR GROUP INC.

and

2744364 ONTARIO LIMITED o/a TRUE
NORTH CANNABIS CO *et al.*

Court File No. CV-25-00735482-00CL

Applicant

Respondents (Debtors)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at
Toronto

**INITIAL ORDER
(MOTION RETURNABLE JANUARY 24, 2025)**

MILLER THOMSON _{LLP}

Scotia Plaza

40 King Street West, Suite 5800

P.O. Box 1011

Toronto ON M5H 3S1

Larry Ellis LSO#: 49313K

lellis@millerthomson.com

Tel: 416.595.8639

David Ward LSO#: 33541W

dward@millerthomson.com

Tel: 416.595.8625

Patrick Corney LSO#: 65462N

pcorney@millerthomson.com

Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.

Document comparison by Workshare Compare on Thursday, January 23, 2025 3:37:20 PM

Input:	
Document 1 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/81182898/1
Description	#81182898v1<Legal> - Initial Order (model order)
Document 2 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/82243886/1
Description	#82243886v1<Legal> - Initial Order Draft -23-JAN-2025
Rendering set	Standard

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

Statistics:

	Count
Insertions	386
Deletions	350
Moved from	8
Moved to	8
Style changes	0
Format changes	0
Total changes	752

THE VANCOUR GROUP INC.
Applicant

and

2744364 ONTARIO LIMITED, *ET AL* Court File No. CV-25-00735482-00CL
Respondents (Debtors)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**APPLICATION RECORD OF THE APPLICANT
(Returnable January 24, 2024)**

Larry Ellis LSO# 49313K

Email: lellis@millerthomson.com

Tel: 416.595.8639

David S. Ward LSO# 33541W

Email: dward@millerthomson.com

Tel: 416.595.8625

Patrick Corney LSO# 65462N

Email: pcorney@millerthomson.com

Tel: 416.595.8555

Lawyers for the Applicant, The Vancor Group Inc.