

COURT FILE NUMBER 2201 - 11655

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

Clerk's Stamp:

MATTER IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.

APPLICANTS: SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.

DOCUMENT: **APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: MLT AIKINS LLP
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222 - 3rd Avenue S.W.
Calgary, AB T2P 0B4
Solicitor : Ryan Zahara/Chris Nyberg
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Email: rzahara@mltaikins.com/cnyberg@mltaikins.com
File No.: 0158011/00003

NOTICE TO RESPONDENT(S)

This application is made against you. You are Respondents.

You have the right to state your side of this matter before the Judge.

To do so, you must be in Court when the application is heard as shown below:

Date: April 26, 2023
Time: 10:00 a.m.
Where: Calgary Courts Centre via Webex videoconference
<https://albertacourts.webex.com/meet/virtual.courtroom60>
Before Whom: Honourable Justice M.J. Lema on the Commercial List

Go to the end of this document to see what else you can do and when you must do it.

Remedy Claimed or Sought

1. The Applicants, Sugarbud Craft Growers Corp. ("**SCGC**"), Trichome Holdings Corp. ("**THC**") and 1800905 Alberta Ltd. ("**Opco**" together with SCGC and THC, collectively "**Sugarbud**" or the "**Applicants**") respectfully seek Orders under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") substantially in the form attached hereto as **Schedule "A"**:
 - (a) declaring the service of this Application and the supporting materials good and sufficient and, if necessary, abridging time for notice of the Application to the time actually given;
 - (b) extending up to and including May 31, 2023, the Stay Period (as defined in the Initial Order granted in the within proceedings on October 14, 2022 (the "**Initial Order**") and as extended by the Amended and Restated Initial Order granted herein on October 14, 2022 (the "**ARIO**"), the first stay extension order (the "**First SEO**") granted on December 9, 2022, the second stay extension order ("**Second SEO**") granted on January 17, 2023, and the third stay extension order ("**Third SEO**") granted on March 24, 2023; and
 - (c) such further and other relief as may be sought by the Applicants and this Honourable Court may deem appropriate.

Grounds for Making this Application:

2. All capitalized terms used but not defined in this Application shall have the meaning ascribed to them in the First Report, Second Report, Third Report and Fourth Report of the Monitor.
3. On September 26, 2022, each of SCGC, THC and Opco filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to section 50.4(1) of the BIA with the Office of the Superintendent of Bankruptcy. A&M is the Proposal Trustee of each of SCGC, THC and Opco.
4. On October 14, 2022, the Applicants continued the NOI proceedings into CCAA proceedings pursuant to the Initial Order and also obtained on the same date the

ARIO that extended the stay of proceedings until December 10, 2022 (the “**Stay Period**”).

5. The Initial Order and the ARIO declared, among other things, that the Applicants are companies to which the CCAA applies, granted a stay of proceeding and appointed A&M as Monitor.
6. The within CCAA proceedings have stabilized the Applicants’ business and provided the necessary time to enable the Applicants to advance the SISP, implement a key employee retention plan, obtain interim financing and continue to operate their business in the normal course, all in order to facilitate a restructuring of their affairs.
7. The SISP has concluded without a transaction complying with the terms of the SISP and capable of being closed by the Applicants.
8. The Applicants have acted and continue act in good faith and with due diligence in pursuing a restructuring with the assistance of the Monitor and with the support of CFCU.
9. The Applicants seek to extend the stay of proceedings contained in the ARIO until May 31, 2023 (the “**Fourth Stay Extension**”) in order to allow the Applicants additional time to formalize a transaction(s) while winding down operations.

Extension of time to file a Plan

10. The Applicants will now continue to pursue a single transaction (the “**CFCU Transaction**”) with CFCU to sell the Facility to it and requires additional time to formalize that transaction for presentation to the Court.
11. During the extended period, the Applicants will have the necessary Interim Financing to complete a sale of its key assets in order to maximize returns to their stakeholders.
12. The Applicants understand that the terms of the proposed transaction (the “**Going-Concern Transaction**”) that was received by the Monitor for a sale of the business as a going concern was not acceptable to CFCU, was withdrawn by the third-party on April

12, 2023, and will not be proceeding. As a result of that there will only be one transaction presented to the Court.

13. Due to the Going-Concern Transaction not proceeding, the Applicants expect to seek a release of their sole remaining director as part of the approval of the CFCU Transaction due to the fact that the Going-Concern Transaction was not acceptable to CFCU.
14. At this time, the Applicants are winding down their operations and Opco has provided notice to Health Canada that it will be ceasing operations effective as of May 12, 2023.
15. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material of Evidence to be Relied On:

16. Affidavit of Daniel T. Wilson sworn on October 7, 2022, filed;
17. Second Affidavit of Daniel T. Wilson sworn on November 28, 2022;
18. Third Affidavit of Daniel T. Wilson, sworn on January 12, 2023;
19. Fourth Affidavit of Daniel T. Wilson, sworn on March 15, 2023;
20. Fifth Affidavit of Daniel T. Wilson, sworn on April 20, 2023;
21. Pre-Filing Report of the Monitor, filed;
22. First Report of the Monitor, filed;
23. Second Report of the Monitor, filed;
24. Third Report of the Monitor, filed;
25. Fourth Report of the Monitor, to be filed;
26. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

27. The Alberta *Rules of Court*, AR 124/2010, as amended.

Applicable Acts and Regulations

28. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, including, but not limited to sections 11.02(2); and
29. Such further and other Acts and Regulations as counsel may advise and that this Honourable Court may permit.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

COURT FILE NUMBER: 2201-11655

Clerk's Stamp:

COURT: COURT OF KING'S BENCH OF
ALBERTA

JUDICIAL CENTRE: CALGARY

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SUGARBUD CRAFT GROWER CORP.,
TRICHOME HOLDINGS CORP. and 1800905 ALBERTA LTD.

APPLICANTS: SUGARBUD CRAFT GROWER CORP., TRICHOME
HOLDINGS CORP. and 1800905 ALBERTA LTD.

DOCUMENT: **ORDER – FOURTH STAY EXTENSION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY
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Fax Number: 403.508.4349
File No.: 0158011.00001

DATE ON WHICH ORDER WAS PRONOUNCED: APRIL 26, 2023

LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA

JUSTICE WHO MADE THIS ORDER: HONOURABLE JUSTICE M.J. LEMA

UPON THE APPLICATION of Sugarbud Craft Grower Corp., Trichome Holdings Corp. and 1800905 Alberta Ltd. (the “**Applicants**”); **AND UPON** having read the Application, the Affidavit of Daniel T. Wilson, sworn on April 20, 2023 (the “**Fifth Wilson Affidavit**”), the Amended and Restated Initial Order granted herein on October 14, 2022 (the “**ARIO**”), the stay extension order (the “**SEO**”) granted on December 9, 2022, the second stay extension order (the

“Second SEO”) granted on January 17, 2023, the third stay extension order (the **“Third SEO”**) granted on March 24, 2023, and the Affidavit of Service of Joy Mutuku, filed; **AND UPON** reading the Fourth Report of Alvarez & Marsal Canada Inc. (**“A&M”**) dated April __, 2023 in its capacity as the monitor (the **“Monitor”**) of the Applicants; **AND UPON** hearing counsel for the Applicants, counsel for the Monitor and counsel for Connect First Credit Union Ltd.; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order (the **“Order”**) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

EXTENSION OF THE STAY PERIOD

2. The Stay Period (as defined in the ARIO) is hereby extended to and including May 31, 2023.

Justice of the Court of King's Bench of Alberta