

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 <i>COMPANIES CREDITORS ARRANGEMENT ACT</i> , RSC 1985, c C-36, AS AMENDED, AND IN THE MATTER OF SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.	
APPLICANT:	ALVAREZ & MARSAL CANADA INC in its capacity as the COURT-APPOINTED MONITOR of SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.	
DOCUMENT:	APPLICATION (Release of Tirtcha Funds, Approval of Monitor's Conduct and Fees, Termination of CCAA Proceedings and Restricted Court Access)	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	Burnet, Duckworth & Palmer LLP 2400, 525 – 8 Avenue SW Calgary, Alberta T2P 1G1 Lawyer: David LeGeyt / Ryan Algar Phone: (403) 260-0120 / (403) 260-0126 Fax: (403) 260-0332 Email: dlegeyt@bdplaw.com / ralgar@bdplaw.com File No. 64793-4	

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:	May 9, 2023
Time:	2:00 p.m.
Where:	Calgary Courts Centre via Webex videoconference
Before Whom:	Honourable Justice Feasby 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 Applicant, Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as the Court-appointed Monitor (in such capacity, the "**Monitor**") of Sugarbud Craft Growers Corp. ("**SCGC**"), Trichome Holdings Corp. ("**THC**") and 1800905 Alberta Ltd. ("**Opco**") together with SCGC and THC, collectively "**Sugarbud**") respectfully seeks Orders: substantially in the form attached hereto as **Schedule "A"** (the "**CCAA Termination Order**"):
 - (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) directing and empowering the Monitor to distribute the \$27,452.62 (the "**Tirtecha Funds**") it holds in trust to (i) first any unpaid Priority Payables (as defined in the Affidavit of Dan Wilson, sworn May 2, 2023 in these proceedings), and (ii) thereafter, to the extent any Tirtecha Funds remain in the possession of the Monitor, to Connect First Credit Union;
 - (c) approving the activities, conduct, fees and disbursements of A&M in its capacity as (i) the proposal trustee of the Applicants under their proceedings initiated pursuant to the provisions of the *Bankruptcy and Insolvency Act* 1985 c B-3 (in such capacity, the "**Proposal Trustee**") and (ii) the Monitor in accordance with the provisions of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") from the period of August 15, 2022 to the filing of the Termination Certificate;
 - (d) approving the activities, conduct, fees and disbursements of Burnet, Duckworth & Palmer LLP, in its capacity as counsel to the Proposal Trustee and the Monitor from the period of September 17, 2022 to the filing of the Termination Certificate;
 - (e) discharging the Monitor in its capacity as Monitor of Sugarbud, save and except for certain duties and obligations set out in CCAA Termination Order, with such discharge to become effective upon the Monitor filing a certificate substantially in the form attached as Schedule "A" to Discharge Order (the "**Termination Certificate**");

- (f) terminating these CCAA proceedings upon the Monitor filing Termination Certificate;
- (g) sealing the Confidential Appendix (the "**Confidential Appendix**") to the Fifth Report of the Monitor, to be filed (the "**Fifth Report**"); and
- (h) such further and other relief as may be sought by the Monitor 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 Reports of the Monitor (collectively, the "**Reports**").
- 3. On September 26, 2022, the Sugarbud entities each 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 (the "**NOI Proceedings**") and A&M was appointed as the Proposal Trustee of each of the Sugarbud entities.
- 4. On October 14, 2022, Sugarbud continued the NOI Proceedings into these CCAA proceedings pursuant to an initial order (the "**Initial Order**") under the CCAA and, on the same date, also obtained an Amended and Restated Initial Order (the "**ARIO**") that extended the stay of proceedings until December 10, 2022 (the "**Stay Period**").
- 5. The Initial Order declared, among other things: that
 - (a) the Applicants are companies to which the CCAA applies,
 - (b) a stay of proceeding was created;
 - (c) the NOI Proceedings were terminated and had no further force and effect, save that any and all acts, steps, agreements and procedures validly taken, done or entered into by Sugarbud during the NOI Proceedings remained valid, binding and actionable; and
 - (d) the approval of the Monitor's and its counsel's fees and disbursements and approval of the Monitor's activities in the within CCAA proceedings would be

deemed to constitute approval of the fees and disbursements and activities of the Proposal Trustee and the fees and disbursements of the Proposal Trustee's counsel in the NOI Proceeding.

6. Sugarbud has sought the most recent extension to the Stay Period until May 31, 2023 in order to, among other things, close a transaction (the "**CFCU Transaction**") with Connect First Credit Union Ltd. ("**CFCU**") pursuant to the terms of a May 2, 2023 Asset Purchase Agreement (the "**APA**") which will effectively bring an end to Sugarbud's business and these CCAA proceedings.

Tirtecha Funds

7. On October 18, 2022, this Honourable Court ordered that the Monitor hold the Tirtecha Funds in trust until further Order of this Honourable Court.
8. The Monitor and its legal counsel have determined that the Tirtecha Funds are the property of Sugarbud, and are distributable to the creditors of Sugarbud.
9. The Monitor ought to be directed and empowered to distribute the Tirtecha Funds to (i) first any unpaid Priority Payables, and (ii) second, to the extent any Priority Payables remain in the possession of the Monitor, to CFCU.

Approval of the Actions of the Monitor and the Approval of Fees

10. The Reports set out the activities and conduct of the Monitor as described therein.
11. Pursuant to paragraph 29 of the ARIO, the Monitor and its legal counsel are required to pass their accounts from time to time. A summary of the Monitor's and its legal counsel's accounts and their estimated professional fees to conclude these proceedings is appended to the Fifth Report.

Discharge of the Monitor and Termination of the CCAA Proceedings

12. The proceeds of the Applicants' estate will be insufficient to fully repay CFCU and any claims subordinate to that of CFCU. Accordingly, a plan of compromise and arrangement pursuant to the CCAA is not warranted or feasible and, upon the closing of

the CFCU Transaction, there is no further purpose or benefit from the CCAA Proceedings with respect to Sugarbud.

13. Upon the Monitor completing all steps required to complete the CCAA Proceedings (as evidenced by the Monitor filing the Discharge Certificate), it is appropriate that the Monitor be discharged and released from any claims, and that these CCAA Proceedings be terminated.

Sealing of the Confidential Appendix

14. The Confidential Appendix contains matters of a sensitive commercial nature, namely (i) the Monitor's analysis of the APA, and (ii) and unredacted copy of the APA that details, among other things, the purchase price paid thereunder (collectively, the "**Confidential Information**").
15. The publication or dissemination of the Confidential Information could result in harm to the Company and/or its stakeholders in these proceedings.
16. The Order sought is the least restrictive and least prejudicial alternative to prevent the dissemination of the Confidential Information, and it is fair and just in the circumstances to restrict public access to the Confidential Information.

Material of Evidence to be Relied On:

17. First Report of the Proposal Trustee, dated September 27, 2022;
18. Pre-Filing Report of the Monitor, dated October 11, 2022;
19. First Report of the Monitor dated December 7, 2022;
20. Second Report of the Monitor, dated January 13, 2023;
21. Third Report of the Monitor dated March 17, 2023;
22. Fourth Report of the Monitor dated April 24, 2023;
23. Fifth Report of the Monitor, to be filed; and

24. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

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

Applicable Acts and Regulations

26. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, including, but not limited to sections 11.02(1), 11.2, 11.5, 11.52, 11.6 and 11.7;
27. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended; and
28. 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:
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JUDICIAL CENTRE	CALGARY	
MATTER	IN THE MATTER OF THE <i>COMPANIES CREDITORS ARRANGEMENT ACT</i> , RSC 1985, c C-36, AS AMENDED, AND IN THE MATTER OF SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.	
APPLICANT	ALVAREZ & MARSAL CANADA INC in its capacity as the COURT-APPOINTED MONITOR of SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.	
DOCUMENT	Order re: Release of Tirtecha Funds, Approval of Monitor's Conduct, Fees and Termination of CCAA Proceedings	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	Burnet, Duckworth & Palmer LLP 2400, 525 – 8 Avenue SW Calgary, Alberta T2P 1G1 Lawyer: David LeGeyt / Ryan Algar Phone: (403) 260-0120 / (403) 260-0126 Fax: (403) 260-0332 Email: dlegeyt@bdplaw.com / ralgar@bdplaw.com File No. 64793-4	

DATE ON WHICH ORDER WAS PRONOUNCED: May 9, 2023

LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA

JUSTICE WHO MADE THIS ORDER: C. Feasby

UPON THE APPLICATION of Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as the Court-appointed Monitor (in such capacity, the "**Monitor**") of Sugarbud Craft Grower Corp. ("**SCGC**"), Trichome Holdings Corp. ("**THC**"), and 1800905 Alberta Ltd. ("**Op Co**" and together with SCGC and THC, "**Sugarbud**"); **AND UPON** reading the First Report (the "**Trustee Report**") of A&M in its capacity as the Proposal Trustee of Sugarbud dated September 27, 2022 (in such capacity, the "**Proposal Trustee**"), the Pre-Filing Report of the Proposed Monitor dated October 11, 2022 and the First Report of the Monitor dated December 7, 2022, the Second

Report of the Monitor dated January 13, 2023, the Third Report of the Monitor dated March 17, 2023, the Fourth Report of the Proposal Trustee dated April 24, 2023 and the Fifth Report of the Monitor (the "**Fifth Report**") dated May 5, 2023 (the "**Monitor Reports**" and together with the Trustee Report, the "**Reports**"); **AND UPON** reading the Amended and Restated Initial Order granted by Justice J.J. Gill on October 18, 2022 pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") in the within proceedings (the "**CCAA Proceedings**"); **AND UPON** hearing submissions by counsel for the Monitor, counsel for Sugarbud, and counsel for Connect First Credit Union Ltd. and any other counsel or other interested parties present,

IT IS HEREBY ORDERED 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.

Defined Terms

2. Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the meanings used in the Reports.

Tirtecha Funds

3. The Monitor is authorized, empowered and directed to distribute the \$27,452.62 it holds pursuant to the Order of Justice Gill dated October 18, 2022 (the "**Tirtecha Funds**") as follows, and in the following priority:
 - (a) first, in satisfaction of any unpaid Priority Payables; and
 - (b) second, to the extent any Tirtecha Funds remain in the possession of the Monitor, to Connect First Credit Union.

Approval of Conduct and Fees

4. The actions, conduct, and activities of the Proposal Trustee, the Monitor and Burnet, Duckworth & Palmer LLP ("**BD&P**"), in its capacity as counsel to the Proposal Trustee and the Monitor, all as set forth in the Reports, are hereby approved.
5. The fees and disbursements of the Proposal Trustee and the Monitor for the period of August 15, 2022 to May 19, 2023 and as further detailed in the Reports, are hereby approved.
6. The fees and disbursements of BD&P, in its capacity as counsel to the Proposal Trustee and the Monitor for the period of September 17, 2022 to May12, 2023 and as further detailed in the Reports are hereby approved.

Discharge of The Monitor and Termination of CCAA Proceedings

7. Upon the Monitor filing with the Clerk of the Court a certificate in the form attached hereto as **Schedule "A"** (the "**Termination Certificate**") evidencing that all steps required to complete these CCAA Proceedings have been completed:
 - (a) the Monitor will have satisfied all of its duties and obligations pursuant to the CCAA and the Orders of the Court in respect of the CCAA Proceedings relating to Sugarbud save and except as set out in paragraph 10 hereof;
 - (b) A&M shall be discharged as Monitor of Sugarbud and shall have no further duties, obligations or responsibilities as Monitor or Proposal Trustee from and after such time, save and except as set out in paragraph 10 hereof;
 - (c) these CCAA Proceedings will be deemed terminated without further Order of this Court;
 - (d) the Monitor and its respective affiliates and officers, directors, partners, employees and agents (collectively the "**Released Parties**") shall be released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking

place on or prior to the date of this Order in any way relating to, arising out of, or in respect of the CCAA Proceedings, or with respect to its conduct in the CCAA Proceedings (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and further barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties;

- (e) no action or other proceedings shall be commenced against any of the Released Parties in any way arising from or related to the CCAA Proceedings, except with prior leave of this Court on at least seven days' prior written notice to the Released Parties; and
 - (f) the Confidential Appendix shall no longer be sealed on the Court file.
- 8. The Monitor shall deliver a filed copy of the Monitor's Termination Certificate to the service list maintained in the CCAA Proceedings.
 - 9. Notwithstanding any provision of this Order and termination of the CCAA Proceedings, nothing herein shall affect, vary, derogate from, limit or amend any of the protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order or any other Order of this Court in the CCAA Proceedings.
 - 10. Notwithstanding the discharge of A&M as Monitor of Sugarbud and the termination of the CCAA Proceedings upon the Monitor filing the Termination Certificate, the Court shall remain seized of any matter arising from the CCAA Proceedings, and A&M shall have the authority from and after the date of this Order to apply to this Court to address matters ancillary or incidental to the CCAA Proceedings, notwithstanding the termination thereof. A&M is authorized to take such steps and actions as it deems necessary to address matters ancillary or incidental to its capacity as Monitor following the termination of the CCAA Proceedings, and in completing or addressing any such ancillary or incidental matters, A&M shall continue to have the benefit of the provisions of the CCAA and provisions of all Orders made in the CCAA Proceedings in relation to its capacity as Monitor, including all approvals, protections and stays of proceedings in favour of A&M in its capacity as Monitor.

Restricted Court Access

11. The Confidential Appendix shall be sealed on the Court file and shall not form part of the public record, notwithstanding Division 4, Part 6 of the *Alberta Rules of Court*.
12. The Confidential Appendix shall be sealed until the Monitor files the Termination Certificate in accordance with paragraph 7.
13. The Clerk of this Honourable Court shall file the Fifth Report including the Confidential Appendix in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED BY
ALVAREZ & MARSAL CANADA INC., IN ITS CAPACITY AS THE COURT-
APPOINTED MONITOR IN THESE PROCEEDINGS. THE CONFIDENTIAL
MATERIALS ARE SEALED PURSUANT TO AN ORDER ISSUED BY THE
HONOURABLE JUSTICE C. FEASBY ON MAY 9, 2023.

Service of Order

14. Service of this Order shall be deemed good and sufficient by serving the same on:
 - (a) the persons listed on the service list attached maintained in the within proceedings;
and
 - (b) by posting a copy of this Order on the Monitor's website at www.alvarezandmarsal.com/sugarbud.

J.C.K.B.A.

SCHEDULE "A"

COURT FILE NUMBER	2201 - 11655	<div>Clerk's Stamp:</div>
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APPLICANT:	ALVAREZ & MARSAL CANADA INC in its capacity as the COURT-APPOINTED MONITOR of SUGARBUD CRAFT GROWER CORP., TRICHOME HOLDINGS CORP., and 1800905 ALBERTA LTD.	
DOCUMENT:	Termination Certificate	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	Burnet, Duckworth & Palmer LLP 2400, 525 – 8 Avenue SW Calgary, Alberta T2P 1G1 Lawyer: David LeGeyt / Ryan Algar Phone: (403) 260-0120 / (403) 260-0126 Fax: (403) 260-0332 Email: dlegeyt@bdplaw.com / ralgar@bdplaw.com File No. 64793-4	

WHEREAS:

A. On September 26, 2022, each of Sugarbud Craft Growers Corp. ("**SCGC**"), Trichome Holdings Corp. ("**THC**") and 1800905 Alberta Ltd. ("**Opco**") together with SCGC and THC, collectively "**Sugarbud**") filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* with the Office of the Superintendent of Bankruptcy (the "**NOI Proceedings**") and Alvarez & Marsal Canada Inc. ("**A&M**") was appointed as the Proposal Trustee of each of the Sugarbud entities.

- B. On October 14, 2022, Sugarbud continued the NOI Proceedings into proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (as amended, the "**CCAA**") pursuant to an initial order (the "**Initial Order**") under the CCAA and, on the same date, also obtained an Amended and Restated Initial Order (the "**ARIO**") and A&M was appointed as monitor of Sugarbud (A&M in such capacity, the "**Monitor**").
- C. Pursuant to paragraph 7 of the Order of the Justice C. Feasby made in these CCAA Proceedings on May 9, 2023 (the "**CCAA Termination Order**"), the Monitor shall be discharged and the CCAA Proceedings shall be terminated upon the Monitor filing this Monitor's Termination Certificate with the Court.

THE MONITOR HEREBY CERTIFIES the following:

1. Pursuant to paragraph 7, and subject to paragraph 9 of the CCAA Termination Order, the Monitor hereby certifies that all steps required to complete the CCAA Proceedings have been completed.
2. This Monitor's Termination Certificate is dated ●, 2023.

ALVAREZ & MARSAL CANADA INC.
in its capacity as the Court-appointed
Monitor of Sugarbud, and not in its
personal or corporate capacity

Per: Orest Konowalchuk
Senior Vice-President