

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 2675970 ONTARIO INC., 2733181  
ONTARIO INC., 2385816 ALBERTA LTD., 2161907 ALBERTA  
LTD., 2733182 ONTARIO INC., 2737503 ONTARIO INC.,  
2826475 ONTARIO INC., 14284585 CANADA INC., 2197130  
ALBERTA LTD., 2699078 ONTARIO INC., 2708540 ONTARIO  
CORPORATION, 2734082 ONTARIO INC., TS WELLINGTON  
INC., 2742591 ONTARIO INC., 2796279 ONTARIO INC.,  
10006215 MANITOBA LTD., AND 80694 NEWFOUNDLAND &  
LABRADOR INC.**

**SUPPLEMENTAL MOTION RECORD OF THE APPLICANTS  
(RE: APPROVAL AND REVERSE VESTING ORDER)  
(Returnable November 28, 2024)**

November 26, 2024

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

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ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

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10006215 MANITOBA LTD., AND 80694 NEWFOUNDLAND &  
LABRADOR INC.**

**INDEX**

<b>TAB</b>	<b>DOCUMENT</b>	<b>PG. NO.</b>
1.	Supplemental Affidavit of Andrew Williams, sworn November 26, 2024	013
	<b>Exhibit "A"</b> – Amended and Restated Subscription Agreement	016
	<b>Exhibit "B"</b> – Comparison of the Original Subscription Agreement to the Amended Subscription Agreement	078

# TAB 1

Court File No. CV-24-00726584-00CL

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 2675970 ONTARIO INC., 2733181  
ONTARIO INC., 2385816 ALBERTA LTD., 2161907 ALBERTA  
LTD., 2733182 ONTARIO INC., 2737503 ONTARIO INC.,  
2826475 ONTARIO INC., 14284585 CANADA INC., 2197130  
ALBERTA LTD., 2699078 ONTARIO INC., 2708540 ONTARIO  
CORPORATION, 2734082 ONTARIO INC., TS WELLINGTON  
INC., 2742591 ONTARIO INC., 2796279 ONTARIO INC.,  
10006215 MANITOBA LTD., AND 80694 NEWFOUNDLAND &  
LABRADOR INC.**

**AFFIDAVIT OF ANDREW WILLIAMS  
(sworn November 26, 2024)**

I, **ANDREW WILLIAMS**, of the City of Oakville, in the Province of Ontario, **MAKE OATH  
AND SAY:**

1. I am the President of each of 2675970 Ontario Inc., 2733181 Ontario Inc., 2385816 Alberta Ltd., 2161907 Alberta Ltd., 2733182 Ontario Inc., 2737503 Ontario Inc., 2826475 Ontario Inc., 14284585 Canada Inc., 2197130 Alberta Ltd., 2699078 Ontario Inc., 2708540 Ontario Corporation, 2734082 Ontario Inc., TS Wellington Inc., 2742591 Ontario Inc., 2796279 Ontario Inc., 10006215 Manitoba Ltd., and 80694 Newfoundland & Labrador Inc. (each individually, an "**Applicant**", and collectively, the "**Applicants**"). Accordingly, I have personal knowledge of the matters set out below except where I have obtained information from others. Where I have relied on information from others, I state the source of such information and verily believe it to be true.

2. This affidavit is supplemental to my affidavit sworn on November 21, 2024 (the "**Initial Affidavit**") in support of the Applicants' motion seeking an approval and reverse vesting order.

### **Amended Share Subscription Agreement**

3. As described in my Initial Affidavit, on September 12, 2024, the Applicants entered into a stalking horse bid with TS Investments Corp. (“**TS Investments**”) in the form of a Share Subscription Agreement between 2675970 Ontario Inc., as issuer, and TS Investments, as purchaser (the “**Original Subscription Agreement**”).

4. Subsequent to filing my Initial Affidavit, the Applicants and TS Investments Inc. (“**TS Investments**”) agreed to amend the Original Subscription Agreement to make certain minor amendments. Accordingly, on November 26, 2024, the parties executed an Amended and Restated Share Subscription Agreement (the “**Amended Subscription Agreement**”). A copy of the Amended Subscription Agreement is attached hereto as **Exhibit “A”**.

5. The minor amendments in the Amended Subscription Agreement include making the agreement consistent with the finalized corporate closing steps, modifying the definition of Intercompany Liabilities, and clarifying that the amounts owed by the Applicants to TS Investments with respect to the debtor-in-possession financing will be assumed (rather than credit bid) by TS Investments. A comparison of the Original Subscription Agreement to the Amended Subscription Agreement is attached hereto as **Exhibit “B”**.

### **The Franchise Claims**

6. As described in my Initial Affidavit, certain former franchisees have made claims against certain of the Applicants under the *Arthur Wishart Act, 2000*, SO 2000, C 3 (the “**Franchise Claims**”). The Franchise Claims also make claims against one of the Applicants’ current directors and officers, a former director and officer, a former employee, and certain of the Applicants’ affiliates.

7. For clarity, the release of the Released D&Os (as defined in my Initial Affidavit) sought by the Applicants only affects claims against the *current* officers and directors, not *former* officers and directors, employees, or the Applicants' affiliates.

8. Based on my review of the Franchise Claims, the only current officer and director named in those proceedings is Jürgen Schreiber. The Franchise Claims are unaffected by the release of the Released D&Os with respect to any of the claims against the former director and officer, the employee, or the affiliates of the Applicants named therein.

9. I swear this affidavit in support of the Applicants' motion pursuant to the CCAA and for no other or improper purpose.

**SWORN REMOTELY by Andrew Williams stated as being located in the City of Toronto in the Province of Ontario before me at the City of Toronto, in the Province of Ontario this 26<sup>th</sup> day of November, 2024, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.**

*Jessica Wuthmann*

A Commissioner for taking Affidavits.  
Name: Jessica Wuthmann

*A Williams*  
A Williams (Nov 26, 2024 16:25 EST)

**Andrew Williams**

THIS IS **EXHIBIT "A"** REFERRED TO IN THE  
AFFIDAVIT OF ANDREW WILLIAMS SWORN REMOTELY BY ANDREW WILLIAMS STATED  
AS BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF  
TORONTO, IN THE PROVINCE OF ONTARIO, THIS 26TH DAY OF NOVEMBER 2024, IN  
ACCORDANCE WITH O. REG 431/20, *ADMINISTERING OATH OR DECLARATION*  
*REMOTELY*



-----  
A COMMISSIONER FOR TAKING AFFIDAVITS  
JESSICA WUTHMANN  
LSO# 72442W



**AMENDED & RESTATED STALKING HORSE SUBSCRIPTION AGREEMENT**

**2675970 ONTARIO INC.,**

AS THE COMPANY

**-AND-**

**TS INVESTMENTS CORP.,**

AS PURCHASER

Article 1 INTERPRETATION .....	- 1 -
1.1 Definitions.....	- 1 -
1.2 Statutes.....	- 11 -
1.3 Headings, Table of Contents, etc. ....	- 11 -
1.4 Gender and Number.....	- 11 -
1.5 Currency.....	- 11 -
1.6 Certain Phrases.....	- 11 -
1.7 Invalidity of Provisions.....	- 12 -
1.8 Entire Agreement; Amended & Restated .....	- 12 -
1.9 Waiver, Amendment.....	- 12 -
1.10 Governing Law; Jurisdiction and Venue .....	- 12 -
1.11 Incorporation of Schedules and Exhibits .....	- 13 -
1.12 Accounting Terms.....	- 13 -
1.13 Non-Business Days.....	- 13 -
1.14 Computation of Time Periods.....	- 13 -
Article 2 SUBSCRIPTION AND ASSET PURCHASE .....	- 13 -
2.1 Agreement to Subscribe for and Issue Purchased Shares .....	- 13 -
2.2 Excluded Assets.....	- 14 -
2.3 Retained Assets.....	- 14 -
2.4 Retained Liabilities.....	- 14 -
2.5 Excluded Liabilities .....	- 15 -
2.6 Transfer of Excluded Liabilities to Residual Co.....	- 16 -
2.7 Right to Exclude Assets and Liabilities.....	- 16 -
2.8 Right to Add Assets and Liabilities .....	- 16 -
2.9 Transfer of Excluded Assets to Residual Co. ....	- 16 -
2.10 Pre-Closing Reorganization.....	- 16 -
Article 3 PURCHASE PRICE AND RELATED MATTERS.....	- 17 -
3.1 Purchase Price.....	- 17 -
3.2 Satisfaction of Purchase Price.....	- 18 -
Article 4 REPRESENTATIONS AND WARRANTIES OF THE COMPANY.....	- 18 -
4.1 Due Authorization and Enforceability of Obligations.....	- 19 -
4.2 Existence and Good Standing.....	- 19 -
4.3 Absence of Conflicts.....	- 19 -
4.4 Approvals and Consents .....	- 19 -
4.5 No Actions .....	- 19 -
Article 5 REPRESENTATIONS AND WARRANTIES OF PURCHASER.....	- 20 -
5.1 Due Authorization and Enforceability of Obligations.....	- 20 -
5.2 Existence and Good Standing.....	- 20 -
5.3 Absence of Conflicts.....	- 20 -
5.4 Approvals and Consents .....	- 20 -

5.5	No Actions .....	- 20 -
5.6	Credit Bid and Cash Consideration; Availability of Funds .....	- 21 -
5.7	Residence .....	- 21 -
Article 6 AS IS, WHERE IS .....		- 21 -
Article 7 CONDITIONS .....		- 22 -
7.1	Conditions for the Benefit of the Purchaser and Company .....	- 22 -
7.2	Conditions for the Benefit of the Purchaser.....	- 22 -
7.3	Conditions for the Benefit of the Company .....	- 24 -
Article 8 ADDITIONAL AGREEMENTS OF THE PARTIES.....		- 24 -
8.1	Break-Up Fee .....	- 24 -
8.2	Access to Information and Properties .....	- 25 -
8.3	Regulatory Approvals and Consents.....	- 26 -
8.4	Covenants Relating to this Agreement .....	- 27 -
8.5	Administrative Expense Amount.....	- 29 -
Article 9 INSOLVENCY PROVISIONS .....		- 29 -
9.1	Court Orders and Related Matters .....	- 29 -
Article 10 TERMINATION.....		- 30 -
10.1	Termination.....	- 30 -
10.2	Effect of Termination.....	- 31 -
Article 11 CLOSING .....		- 32 -
11.1	Location and Time of the Closing .....	- 32 -
11.2	Closing Sequence.....	- 32 -
11.3	Company's Deliveries at Closing .....	- 32 -
11.4	Purchaser's Deliveries at Closing .....	- 33 -
11.5	Monitor .....	- 33 -
11.6	Simultaneous Transactions .....	- 33 -
11.7	Further Assurances.....	- 34 -
Article 12 GENERAL MATTERS .....		- 34 -
12.1	Confidentiality .....	- 34 -
12.2	Public Notices .....	- 34 -
12.3	Injunctive Relief.....	- 35 -
12.4	Survival .....	- 35 -
12.5	Non-Recourse .....	- 36 -
12.6	Assignment; Binding Effect.....	- 36 -
12.7	Notices .....	- 36 -
12.8	Counterparts; Electronic Signatures .....	- 38 -

**THIS AMENDED & RESTATED STALKING HORSE SUBSCRIPTION AGREEMENT** is made as of November \_\_\_\_\_, 2024

**BETWEEN:**

**2675970 ONTARIO INC.**, a corporation existing under the laws of the Province of Ontario (the “**Company**”)

-and-

**TS INVESTMENTS CORP.** a corporation existing under the laws of the Province of Ontario (“**Purchaser**”)

**RECITALS:**

- A. The Company, through certain of its wholly-owned subsidiaries, owns, operates, and franchises dispensaries in Canada selling cannabis products and accessories directly to consumers under the name “Tokyo Smoke” and maintains an online platform for direct-to-consumer cannabis sales and deliveries.
- B. On August 28, 2024, the Applicants (as hereinafter defined) commenced proceedings under the CCAA (as hereinafter defined) before the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”) to, among other things, seek creditor protection for, and certain relief in respect of, the Applicants (as hereinafter defined).
- C. The Applicants plan to obtain a sales process approval order (the “**SISP Order**”) from the CCAA Court approving, among other things, the SISP (as hereinafter defined).
- D. On September 12, 2024, the Company and Purchaser entered into a stalking horse subscription agreement (the “**Original Agreement**”) and the Company and Purchaser desire to amend and restate the Original Agreement as of the date hereof on the terms and conditions herein.
- E. Pursuant to the SISP, the Purchaser has been selected as the Successful Bidder and as such, the Purchaser has agreed to subscribe for, and the Company has agreed to issue, the Purchased Shares on and pursuant to the terms set forth herein.

**NOW THEREFORE**, the Parties agree as follows:

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Agreement,

- (a) “**Administration Charge**” has the meaning given to it in the Initial Order.

- (b) **“Administrative Expense Amount”** means cash in the amount to be agreed to between the Monitor and the Purchaser, acting reasonably, which shall be paid to the Monitor on the Closing Date and held by the Monitor, for the benefit of Persons entitled to be paid the Administrative Expense Costs, subject to the terms hereof.
- (c) **“Administrative Expense Costs”** means the reasonable and documented costs and expenses for services performed by the Monitor, Residual Co. and their respective legal counsel after the Closing Date in connection with the CCAA Proceedings, the administration of such proceedings to their conclusion and this Agreement, including any bankruptcy of the Residual Co. and services in respect of the administration of the Excluded Assets, Excluded Liabilities and Residual Co, to the extent such amount has not been pre-funded in accordance with the DIP Term Sheet prior to the Closing Date.
- (d) **“Affiliate”** means, with respect to any specified Person, any other Person which, directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise). For greater certainty, an Affiliate of a Person shall include such Person’s investment funds and managed accounts and any funds managed or directed by the same investment advisor.
- (e) **“Agreement”** means this stalking horse subscription agreement and all attachments and Exhibits, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this stalking horse subscription agreement and all attached Schedules and Exhibits, and unless otherwise indicated, references to Articles, Sections, Schedules and Exhibits are to Articles, Sections, Schedules and Exhibits in this stalking horse subscription agreement.
- (f) **“Applicable Law”** means any transnational, domestic or foreign, federal, provincial, territorial, state, local or municipal (or any subdivision of any of them) law (including common law and civil law), statute, ordinance, rule, regulation, restriction, limit, by-law (zoning or otherwise), judgment, order, direction or any consent, exemption, Transaction Regulatory Approval, or any other legal requirements of, or agreements with, any Governmental Authority, that applies in whole or in part to the transactions contemplated by this Agreement, the members of the Applicants, the Purchaser, the Business, or any of the Purchased Shares or the Retained Liabilities.
- (g) **“Applicants”** means, collectively, the Company, 2733181 Ontario Inc., 2385816 Alberta Ltd., 2161907 Alberta Ltd., 2733182 Ontario Inc., 2737503 Ontario Inc., 2826475 Ontario Inc., 14284585 Canada Inc., 2197130 Alberta Ltd., 2699078 Ontario Inc., 2708540 Ontario Corporation, 2734082 Ontario Inc., TS Wellington Inc., 2742591 Ontario Inc., 2796279 Ontario Inc., 10006215 Manitoba Ltd., and 80694 Newfoundland & Labrador Inc., and

from and after the time Residual Co. becomes an applicant under the Initial Order, “**Applicants**” shall include Residual Co.

- (h) “**Approval and Reverse Vesting Order**” means an order of the CCAA Court in a form to be mutually agreed upon by the Purchaser and the Company, each acting reasonably.
- (i) “**Articles of Reorganization**” means, to the extent required, articles of reorganization in respect of Amalco 2’s (as defined in Schedule 11.2) authorized and issued share capital immediately prior to completion of the Transactions to provide for a redemption right in favour of Amalco 2 or such other provision acceptable to the Company and the Purchaser, acting reasonably, that would result in holders of Existing Shares ceasing to hold their Existing Shares at the time such articles are filed and effective in accordance with the Closing Sequence and receiving nil consideration, such articles of amendment to be in form and substance satisfactory to the Purchaser, acting reasonably.
- (j) “**BMO**” means the Bank of Montreal.
- (k) “**BMO Credit Agreement**” means the second amended and restated credit agreement dated October 7, 2022 between, *inter alia*, BMO, as administrative agent and lender, the Company, as borrower, and the guarantors party thereto, as amended, restated, supplemented or otherwise modified from time to time.
- (l) “**BMO Loan Documents**” means the “Loan Documents” as defined in the BMO Credit Agreement.
- (m) “**BMO Post-Closing Loan Documents**” means either: (A) the BMO Credit Agreement and the BMO Loan Documents, as reaffirmed, amended, restated, modified and/or amended and restated, as applicable, to be effective as of the Closing Date, all of which shall be in form and substance satisfactory to the Purchaser and BMO or (B) a credit agreement and applicable loan documentation to be entered into with BMO and the Purchased Entities to be effective on Closing which would refinance the indebtedness under, and replace, the BMO Credit Agreement, all of which shall be in form and substance satisfactory to the Purchaser and BMO.
- (n) “**Break-up Fee**” has the meaning given to such term in Section 8.1(a).
- (o) “**Business**” means the Company’s (through its subsidiaries): (a) ownership, operation, and franchise of dispensaries in Canada selling cannabis products and accessories directly to consumers under the name “Tokyo Smoke”, (b) online platform for direct-to-consumer cannabis sales and deliveries and (c) program, medical and banner lines of business.
- (p) “**Business Day**” means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto, Ontario are open for commercial banking business during normal banking hours.
- (q) “**Cash Consideration**” has the meaning given to such term in Section 3.1.
- (r) “**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada), as amended.

- (s) **“CCAA Charge Amount”** means cash in an amount sufficient to satisfy the amounts owing in respect of obligations secured by the CCAA Charges (unless such amounts will be satisfied from the Administration Expense Amount);
- (t) **“CCAA Charges”** means the Administration Charge, the Director’s Charge and the KERP Charge.
- (u) **“CCAA Court”** has the meaning given to such term in Recital B.
- (v) **“CCAA Proceedings”** means the proceedings commenced under the CCAA by the Applicants pursuant to the Initial Order.
- (w) **“Claims”** means any and all demands, claims, liabilities, actions, causes of action, counterclaims, expenses, costs, damages, losses, suits, debts, sums of money, refunds, accounts, indebtedness, rights of recovery, rights of set-off, rights of recoupment and liens of whatever nature (whether direct or indirect, absolute or contingent, asserted or unasserted, secured or unsecured, matured or not yet matured due or to become due, accrued or unaccrued or liquidated or unliquidated) and including all costs, fees and expenses relating thereto.
- (x) **“Closing”** means the completion of the Transactions in accordance with the provisions of this Agreement.
- (y) **“Closing Date”** means a date no later than five (5) Business Days after the conditions set forth in Article 7 have been satisfied or waived, other than the conditions set forth in Article 7 that by their terms are to be satisfied or waived at the Closing (or such other date agreed to by the Parties in writing); provided that, if there is to be a Closing hereunder, then the Closing Date shall be no later than the Outside Date.
- (z) **“Closing Documents”** means all contracts, agreements, certificates and instruments required by this Agreement to be delivered at or before the Closing.
- (aa) **“Closing Sequence”** means the sequence set out in Schedule 11.2, which may be updated from time to time in accordance with Section 11.2 until two (2) Business Days prior to the Closing Date.
- (bb) **“Closing Time”** means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.
- (cc) **“Company”** has the meaning given to it in the recitals hereto.
- (dd) **“Credit Bid Release”** means a full and final release of all Applicants of their respective obligations in respect of the Secured Credit Bid Consideration, which shall be in form and substance satisfactory to the Applicants and the Monitor, each acting reasonably.
- (ee) **“Cure Costs”** means the amounts, if any, that are required to cure any monetary defaults of the Applicants under any Retained Contract, Retained Lease or Restructured Lease,.

- (ff) **“DIP Facility”** means amounts available under the DIP Term Sheet.
- (gg) **“DIP Lender”** means TS Investments Corp., as lender thereunder.
- (hh) **“DIP Lender’s Charge”** has the meaning given to it in the Initial Order.
- (ii) **“DIP Term Sheet”** means interim financing term sheet dated August 27, 2024 between the Applicants, as borrowers, and the DIP Lender, pursuant to which the DIP Lender has agreed to advance to the Applicants the DIP Facility, as may be amended from time to time.
- (jj) **“Directors’ Charge”** has the meaning given to it in the Initial Order.
- (kk) **“Employees”** means individuals employed or retained by the Purchased Entities, on a full-time, part-time or temporary basis, including any unionized employees and those employees on disability leave, parental leave or other absence.
- (ll) **“Encumbrance”** means any security interest (whether contractual, statutory or otherwise), lien, prior claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, trust (including any statutory, deemed or constructive trust), option or adverse claim or encumbrance of any nature or kind.
- (mm) **“Encumbrances to Be Discharged”** means all Encumbrances on the Retained Assets, including without limitation the Encumbrances listed in Schedule 1.1(mm), as such Schedule may be amended, supplemented or restated by the Purchaser from time to time up to two (2) Business Days prior to the hearing of the motion for the Approval and Reverse Vesting Order (or such other date agreed to by the Purchaser and the Company), the CCAA Charges and any other charge granted by the Court in the CCAA Proceedings, excluding only the Permitted Encumbrances.
- (nn) **“Equity Interests”** means any capital share, capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) of a Person.
- (oo) **“Excluded Assets”** has the meaning given to such term in Section 2.3 including any assets that are added as Excluded Assets pursuant to Section 2.7.
- (pp) **“Excluded Contracts”** means contracts of the Purchased Entities which are not Retained Contracts, including any contracts that are added as Excluded Contracts pursuant to Section 2.7.
- (qq) **“Excluded Leases”** means all Leases in respect of the Leased Real Property which are not Retained Contracts of Restructured Leases, including those which have been or will be disclaimed by the Purchased Entities in the CCAA Proceedings.
- (rr) **“Excluded Liabilities”** has the meaning given to such term in Section 2.5 including any liabilities that are added as Excluded Liabilities pursuant to Section 2.7.



- (ss) **“Existing Shares”** means the existing common shares in the capital of the Company (including Amalco 2 as the context requires) and other Purchased Entities which are owned, directly or indirectly, by the Company.
- (tt) **“Filing Date”** means August 28, 2024.
- (uu) **“Final Order”** means with respect to any order or judgment of the CCAA Court, or any other court of competent jurisdiction, with respect to the subject matter addressed in the CCAA Proceedings or the docket of any court of competent jurisdiction, that such order or judgment has not been vacated, set aside, reversed, stayed, modified or amended, and as to which the applicable periods to appeal, or seek certiorari or move for a new trial, re-argument, or rehearing has expired and no appeal, leave to appeal, or petition for certiorari or other proceedings for a new trial, re-argument, or rehearing has been timely taken or filed, or as to which any appeal has been taken or any petition for certiorari or leave to appeal that has been timely filed has been withdrawn or resolved in a manner acceptable to the Company and the Purchaser, each acting reasonably, by the highest court to which the order or judgment was appealed or from which leave to appeal or certiorari was sought or the new trial, re-argument, or rehearing shall have been denied, resulted in no modification of such order or has otherwise been dismissed with prejudice.
- (vv) **“GAAP”** means generally accepted accounting principles as set out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.
- (ww) **“Gift Cards”** means the gift cards purchased by customers of the Purchased Entities which can be redeemed for merchandise in the applicable Stores, subject to the terms and conditions of the gift card program in effect as at the Filing Date.
- (xx) **“Governmental Authority”** means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them, or exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.
- (yy) **“GST/HST”** means all goods and services tax and harmonized sales tax imposed under the ETA.
- (zz) **“Initial Order”** means the Amended and Restated Initial Order dated September 6, 2024 granted by the CCAA Court pursuant to the CCAA, as may be further amended and restated from time to time.
- (aaa) **“Intercompany Liabilities”** means all Liabilities owing between or among the Purchased Entities and their subsidiaries or their affiliates (other than in connection with the Secured Credit Bid Consideration, which for greater certainty shall be released pursuant to the terms herein).

- (bbb) **“KERP Charge”** has the meaning set forth in the Initial Order.
- (ccc) **“Leased Real Property”** means the Stores and offices of the Purchased Entities, together with any and all interests of the Purchased Entities in all plants, buildings, structures, fixtures, erections, improvements, easements, rights-of-way and other appurtenances situated on or forming part of those premises.
- (ddd) **“Leases”** means the leases or agreements in the nature of a lease or right of occupancy of real property to which any Purchased Entity is a party whether as lessor or lessee, in respect of or related to the Leased Real Property.
- (eee) **“License”** or **“Licences”** means, collectively any and all permits, licences, authorizations, consents, concessions, exemptions, leases, grants, permits, rights, privileges, approvals or other evidence of authority from any Governmental Authority and related to the Business and that has been issued to, granted to, conferred upon, or otherwise created for, any Purchased Entity, relating to authorizations or otherwise to sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law.
- (fff) **“Material Adverse Effect”** means any change, effect, event, occurrence, state of facts or development that has had a material adverse effect on: (i) the Business, assets, liabilities, financial conditions or results of operations of the Purchased Entities, taken as a whole; or (ii) prevents the ability of any of the Purchased Entities to perform their obligations under, or to consummate the transactions contemplated by, this Agreement, but excluding any such change, effect, event, occurrence, state of facts or development attributable to or arising from: (A) general economic or business conditions; (B) Canada, the U.S. or foreign economies, or financial, banking or securities markets in general, or other general business, banking, financial or economic conditions (including: (I) any disruption in any of the foregoing markets; (II) any change in the currency exchange rates; or (III) any decline or rise in the price of any security, commodity, contract or index); (C) acts of God or other calamities, pandemics (including worsening thereof), national or international political or social conditions, including the engagement and/or escalation by the U.S. or Canada in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the U.S. or Canada or any of their territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the U.S. or Canada; (D) the identity of the Purchaser or its Affiliates; (E) conditions affecting generally the industry in which any of the Purchased Entities participate; (F) the public announcement of, entry into or pendency of, actions required or contemplated by or performance of obligations under, this Agreement or the transactions contemplated by this Agreement, or the identity of the Parties; (G) changes in Applicable Laws or the interpretation thereof; (H) any change in GAAP or other accounting requirements or principles; (I) national or international political, labor or social conditions; (J) the failure of the Purchased Entities to meet or achieve the results set forth in any internal projections (but not the underlying facts giving rise to such failure unless such facts are otherwise excluded pursuant to the clauses contained in this definition); or (K) any change resulting from compliance with the terms of, or any actions taken (or not taken) by any Party pursuant to or in accordance with, this Agreement; provided that the exceptions set forth in clauses (A), (B), (C), (E), (G), (H) or (I) shall not apply to the extent

that such event is disproportionately adverse to the Purchased Entities, taken as a whole, as compared to other companies in the industries in which the Purchased Entities operate.

- (ggg) **“Monitor”** means Alvarez & Marsal Canada Inc., as court-appointed monitor of the Applicants in the CCAA Proceedings, and not in its personal or corporate capacity.
- (hhh) **“Monitor’s Certificate”** means the certificate delivered to the Purchaser, and filed with the CCAA Court, by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor, in its sole discretion, from each of the Company and the Purchaser that all conditions to Closing have been satisfied or waived by the applicable Parties and the transactions contemplated by this Agreement have been completed.
- (iii) **“Order”** means any order of the Court made in the CCAA Proceedings, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.
- (jjj) **“Original Agreement”** has the meaning given to such term in the Recitals hereto.
- (kkk) **“Outside Date”** has the meaning given to such term in Section 10.1(c).
- (lll) **“Parties”** means the Company and the Purchaser collectively, and **“Party”** means any one of them, as the context requires.
- (mmm) **“Permitted Encumbrances”** means the Encumbrances listed in Schedule 1.1(mmm).
- (nnn) **“Person”** includes an individual, partnership, firm, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, entity, corporation, unincorporated association, or organization, syndicate, committee, court appointed representative, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality, or department of such government or political subdivision, or any other entity, howsoever designated or constituted, including any Taxing Authority, and the trustees, executors, administrators, or other legal representatives of an individual, and for greater certainty includes any Governmental Authority.
- (ooo) **“Post-Filing Claims”** means any or all indebtedness, liability, or obligation of the members of the Applicants that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Closing Date in respect of services rendered or supplies provided to the Applicants during such period.
- (ppp) **“Pre-Closing Reorganization”** has the meaning given to such term in Section 2.10(a).
- (qqq) **“Priority Payment Amount”** means an amount equal to: (a) those priority payments prescribed under subsections 6(3), 6(5)(a) and 6(6) of the CCAA; (b) the CCAA Charge Amounts; and (c) any payments in respect of Leases that are required under the CCAA; and (d) any Claims ranking in priority to the security granted by the Purchased Entities to the Purchaser pursuant to the TS Investments GSA.

- (rrr) **“Purchase Price”** has the meaning given to such term in Section 3.1.
- (sss) **“Purchased Entities”** means the Company and each other Applicant (other than any Applicants which are listed as an Excluded Asset), and **“Purchased Entity”** means any one of them.
- (ttt) **“Purchased Shares”** has the meaning given to such term in Section 2.1(a).
- (uuu) **“Purchaser”** has the meaning given to such term in the preamble to this Agreement.
- (vvv) **“Residual Co.”** means a corporation to be incorporated by the Company in advance of Closing, to which the Excluded Assets, Excluded Contracts and Excluded Liabilities will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares.
- (www) **“Restructured Leases”** means all Leases in respect of the Leased Real Property as of the Closing Date listed in Schedule 1.1(www) that the Purchased Entities and the applicable landlords have agreed to amend; including any Leases that are added as Restructured Leases pursuant to Section 2.8 and excluding the Excluded Leases.
- (xxx) **“Retained Assets”** has the meaning given to such term in Section 2.3.
- (yyy) **“Retained Contracts”** means, other than the Retained Leases, those contracts of the Purchased Entities listed in Schedule 1.1(yyy) including any contracts that are added as Retained Contracts pursuant to Section 2.8.
- (zzz) **“Retained Employees”** means all Employees of the Purchased Entities as of the Closing Date other than the Terminated Employees.
- (aaaa) **“Retained Leases”** means all Restructured Leases and all other Leases in respect of Leased Real Property as of the Closing Date listed in Schedule 1.1(aaaa) and including any Leases that are added as Retained Leases pursuant to Section 2.8.
- (bbbb) **“Retained Liabilities”** has the meaning given to such term in Section 2.4 including any liabilities that are added as Retained Liabilities pursuant to Section 2.8.
- (cccc) **“Secured Credit Bid Consideration”** has the meaning given to such term in Section 3.1(d).
- (dddd) **“SISP”** means the Sale and Investment Solicitation Process approved by the SISP Order, as may be amended by the CCAA Court from time to time, which must be acceptable to the Purchaser, acting reasonably, and substantially in the form of the Sale and Investment Solicitation Process attached hereto as Exhibit A.
- (eeee) **“SISP Order”** has the meaning ascribed to it in Recital C.
- (ffff) **“Stalking Horse Bid”** has the meaning given to such term in the SISP.

- (gggg) **“Stores”** means all of the retail store locations of the Purchased Entities.
- (hhhh) **“Successful Bid”** and **“Successful Bidder”** has the meaning given to such terms in the SISP.
- (iii) **“Tax”** and **“Taxes”** means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by any Taxing Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Taxing Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, GST/HST, value added, consumption, sales, use, excise, stamp, withholding, business, franchising, escheat, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada, Ontario, and other government pension plan premiums or contributions.
- (jjjj) **“Tax Act”** means the *Income Tax Act* (Canada) and shall also include a reference to any applicable and corresponding provisions under the income tax laws of a province or territory of Canada, as applicable.
- (kkkk) **“Tax Return”** means any return, declaration, report, statement, information statement, form, election, amendment, claim for refund, schedule or attachment thereto or other document filed or required to be filed with a Taxing Authority with respect to Taxes.
- (llll) **“Taxing Authorities”** means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, and any Canadian or other Governmental Authority exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities.
- (mmmm) **“Terminated Employees”** means those Employees terminated by the applicable Purchased Entity on or prior to the Closing Date at the sole discretion of the Purchaser, provided that in respect of terminations of any Employees that are unionized, the applicable Purchased Entity’s prior consent is required and such terminations of any unionized Employees must comply with the applicable collective bargaining agreement.
- (nnnn) **“The High Roller Club Rewards Program”** means the customer loyalty program offered by the Purchased Entities.
- (oooo) **“Transaction”** means, collectively, the Pre-Closing Reorganization, the purchase and issuance of the Purchased Shares pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the purchase and issuance of the Purchased Shares; and

(pppp) **“Transaction Regulatory Approvals”** means any material license, permits approvals and/or grants required from any Governmental Authority or under any Applicable Laws relating to the business and operations of the Purchased Entities or the Purchaser that would be required to be obtained in order to permit the Company and the Purchaser to complete the transactions contemplated by this Agreement and for the Purchased Entities to carry on the Business following the Closing Date.

(qqqq) **“TS Investments Grid Note”** means the grid promissory note dated October 7, 2022 between TS Investments Corp., as lender, and each of the Company, 2733181 Ontario Inc., 2161907 Alberta Ltd., 2737503 Ontario Inc, 2733182 Ontario Inc., TS-IP Holdings Ltd., TS Programs Ltd., 2826475 Ontario Inc., 2197130 Alberta Ltd., 2699078 Ontario Inc., 2708540 Ontario Corporation, 2734082 Ontario Inc., TS Wellington Inc., 2742591 Ontario Inc., and 2796279 Ontario Inc. as borrowers, as amended.

(rrrr) **“TS Investments GSA”** means the general security agreement dated October 7, 2022 (and as amended on December 30, 2022, February 21, 2023, May 31, 2024, and August 2, 2024) executed by the borrowers and guarantors under the TS Investments Grid Note in favour of TS Investments Corp., as amended.

## 1.2 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended, re-enacted or replaced.

## 1.3 Headings, Table of Contents, etc.

The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Agreement. The recitals to this Agreement are an integral part of this Agreement.

## 1.4 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.

## 1.5 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars. References to “\$” are to Canadian dollars.

## 1.6 Certain Phrases

In this Agreement (i) the words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation” and (ii) the words “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”. The expression “Article”, “Section” and other



subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Agreement.

### **1.7 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity 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 so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon (i) such a determination of invalidity or unenforceability or (ii) any change in Applicable Law or other action by any Governmental Authority which materially detracts from the legal or economic rights or benefits, or materially increases the obligations, of any Party or any of its Affiliates under this Agreement, the Parties shall negotiate to modify this Agreement in good faith so as to effect the original intent of the Parties as closely as possible in an acceptable manner so that the transactions contemplated by this Agreement be consummated as originally contemplated to the fullest extent possible.

### **1.8 Entire Agreement; Amended & Restated**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement among the Parties, and set out all the covenants, promises, warranties, representations, conditions and agreements among the Parties in connection with the subject matter of this Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral among the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement. This Agreement amends and restates, in its entirety, the Original Agreement as of the date first written above and it is hereby confirmed that all prior actions of any party made pursuant to the Original Agreement prior to such remain effective.

### **1.9 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto, and provided that such amendment is consented to by the Monitor. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

### **1.10 Governing Law; Jurisdiction and Venue**

This Agreement, the rights and obligations of the Parties under this Agreement, and any Claim or controversy directly or indirectly based upon or arising out of this Agreement or the transactions contemplated by this Agreement (whether based on contract, tort or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles

thereof. The Parties consent to the exclusive jurisdiction and venue of the CCAA Court for the resolution of any such disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 12.7 shall be deemed effective service of process on such Party.

### **1.11 Incorporation of Schedules and Exhibits**

Any schedule or exhibit attached thereto, and any schedule or exhibit attached to this Agreement, is an integral part of this Agreement.

### **1.12 Accounting Terms**

All accounting terms used in this Agreement are to be interpreted in accordance with GAAP unless otherwise specified.

### **1.13 Non-Business Days**

Whenever payments are to be made or an action is to be taken on a day which is not a Business Day, such payment will be made or such action will be taken on or not later than the next succeeding Business Day.

### **1.14 Computation of Time Periods**

If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Agreement, then the first day of the period is not counted, but the day of its expiry is counted.

## **ARTICLE 2 SUBSCRIPTION AND ASSET PURCHASE**

### **2.1 Agreement to Subscribe for and Issue Purchased Shares**

- (a) Upon and subject to the terms and conditions of this Agreement, at the Closing and effective as of the Closing Time, in accordance with the Closing Sequence, the Company shall issue to the Purchaser, and the Purchaser shall subscribe for that number and class of shares in the share capital of the Company from treasury, to be specified by the Purchaser at least two Business Days prior to the Closing Date, which shares shall be free and clear of all Encumbrances, except for any Permitted Encumbrances and any Encumbrances under any BMO Post-Closing Loan Documents and the TS Investments GSA (the “**Purchased Shares**”).
- (b) Pursuant to the Approval and Reverse Vesting Order and, if required, the Articles of Reorganization, in accordance with the Closing Sequence, all Equity Interests of the Company outstanding prior to the issuance of the Purchased Shares, other than the Purchased Shares, shall be cancelled, without consideration, and the Purchased Shares shall represent 100% of the outstanding Equity Interests in the Company after such cancellation and issuance.



## 2.2 Excluded Assets

As of the Closing and pursuant to the Approval and Reverse Vesting Order, the assets of the Purchased Entities shall not include any of the following assets, together with any other assets as set forth on Schedule 2.2 (collectively, the “**Excluded Assets**”):

- (a) the Cash Consideration;
- (b) the Tax records and returns, and books and records pertaining thereto and other documents, in each case, that primarily or solely relate to any of the Excluded Liabilities or Excluded Assets, provided that the Purchased Entity may retain original copies of any such records if required by Applicable Law and provided further that the applicable Purchased Entity may take copies of all Tax records and books and records pertaining to such records to the extent necessary or useful for the carrying on of the Business after Closing, including the filing of any Tax Return;
- (c) the Excluded Contracts;
- (d) the Excluded Leases;
- (e) any assets which are added as Excluded Assets pursuant to Section 2.7;
- (f) all communications, information or records, written or oral, that are in any way related to (i) the transactions contemplated by this Agreement, (ii) the sale of the Purchased Shares, (iii) any Excluded Asset or (iv) any Excluded Liability; and
- (g) any rights which accrue to Residual Co. under the transaction documents.

## 2.3 Retained Assets

On the Closing Date, the Purchased Entities shall retain, free and clear of any and all Encumbrances other than Permitted Encumbrances, all of the assets owned by them on the date of this Agreement and any assets acquired by them up to and including Closing, including the Retained Contracts, Existing Shares of the Purchased Entities (other than the Company) which are owned by the Company or other Purchased Entities, and Licenses (the “**Retained Assets**”), except, however, any assets sold in the ordinary course of business between the date hereof and the Closing Date in accordance with the terms of this Agreement. For greater certainty, the Retained Assets shall not include the Excluded Liabilities, Excluded Assets or the Excluded Contracts, which Purchased Entities shall transfer to Residual Co. in accordance with this Agreement.

## 2.4 Retained Liabilities

Pursuant to this Agreement and the Approval and Reverse Vesting Order, as of the Closing Time, the only obligations and liabilities of the Purchased Entities shall consist of only the items specifically set forth below (collectively, the “**Retained Liabilities**”):

- (a) wages, vacation pay, and benefit plans owing by any Purchased Entity to any Retained Employee accruing to and after the Closing Time;

- (b) the Cure Costs and liabilities of the Purchased Entities under the Retained Contracts from and after the Closing Time;
- (c) the Cure Costs and liabilities arising from or in connection with the performance of the Restructured Leases, as amended, and the other Retained Leases, from and after the Closing Time;
- (d) the Post-Filing Claims that remain outstanding as at the Closing Time;
- (e) the outstanding indebtedness under the BMO Post-Closing Loan Documents unless the Purchaser elects to pay such outstanding indebtedness in cash in accordance with Section 3.2;
- (f) relating to Gift Cards and The High Roller Club Rewards Program and in each case, accruing to and after the Closing Time;
- (g) the Intercompany Liabilities, including for certainty, outstanding indebtedness under the DIP Term Sheet which will be retained as indebtedness under the TS Investments Grid Note and amounts owing under the TS Investments Grid note which do not form part of the Secured Credit Bid Consideration (and all Claims, Encumbrances relating thereto, provided that all Claims and Encumbrances under the DIP Term Sheet will be discharged and the outstanding indebtedness under the DIP Term Sheet shall be retained as indebtedness under the TS Investments Grid Note);
- (h) Tax liabilities of the Purchased Entities for any period, or the portion thereof, beginning on or after the Closing Date;
- (i) those specific Retained Liabilities set forth in Schedule 2.4; and
- (j) those liabilities that are added as Retained Liabilities pursuant to Section 2.8.

## 2.5 Excluded Liabilities

Except for Retained Liabilities, all Claims and all debts, obligations and liabilities of the Purchased Entities or any predecessors thereof, of any kind or nature, shall be assigned to, and become the sole obligation of, Residual Co. pursuant to the terms of the Approval and Reverse Vesting Order and this Agreement, and, as of the Closing, the Purchased Entities shall not have any obligation, duty, or liability of any kind whatsoever, except for Retained Liabilities, whether accrued, contingent, known or unknown, express or implied, primary or secondary, direct or indirect, liquidated, unliquidated, absolute, accrued, contingent or otherwise, and whether due or to become due, and such liabilities or obligations shall be the sole responsibility of Residual Co., including *inter alia*, and any and all liability relating to any change of control provision that may arise in connection with the change of control contemplated by the transactions hereunder and to which the Purchased Entities may be bound as at Closing, all liabilities relating to or under the Excluded Contracts, Excluded Leases, and Excluded Assets, liabilities for all Terminated Employees and those liabilities that are added as Excluded Liabilities pursuant to Section 2.7 (collectively, the “Excluded Liabilities”).

## **2.6 Transfer of Excluded Liabilities to Residual Co.**

On the Closing Date, pursuant to the terms of the Approval and Reverse Vesting Order, the Purchased Entities shall assign and transfer the Excluded Liabilities to Residual Co., and Residual Co. shall assume the Excluded Liabilities in consideration of the Excluded Assets acquired by Residual Co. All of the Excluded Liabilities shall be discharged from the Purchased Entities as of the Closing, pursuant to the Approval and Reverse Vesting Order.

## **2.7 Right to Exclude Assets and Liabilities**

At any time on or prior to the day that is five (5) days prior to the hearing date for the Approval and Reverse Vesting Order (or such later date as agreed to by the Purchaser and the Company with the consent of the Monitor), the Purchaser may, by giving notice to the Company and the Monitor, elect to: (a) exclude any assets or properties of any Purchased Entity from the Retained Assets, and add such assets or properties to the Excluded Assets; (b) exclude any contract from the Retained Contracts, including any Leases that are not amended to the satisfaction of the Purchaser, and add such contracts to the Excluded Contracts; and (c) exclude any liability other than the liability set out in Section 2.4(d) from the Retained Liabilities and add such liability to the Excluded Liabilities. No changes to the Purchase Price shall result from the exclusion of any assets, properties, Contracts, Liabilities, Retained Contracts, Retained Liabilities or Retained Employees pursuant to this Section 2.7.

## **2.8 Right to Add Assets and Liabilities**

At any time on or prior to the day that is one (1) day prior to the Closing Date, the Purchaser may, by giving notice to the Company and the Monitor, elect to: (a) exclude any assets or properties of any Purchased Entity from the Excluded Assets, and add such assets or properties to the Retained Assets; (b) exclude any contract from the Excluded Contracts, including any Leases that are amended to the satisfaction of the Purchaser, and add such contracts to the Retained Contracts; (c) exclude any liability from the Excluded Liabilities and add such liability to the Retained Liabilities. No changes to the Purchase Price shall result from the addition of any assets, properties, liabilities to the Retained Assets, Retained Contracts, Retained Liabilities or Retained Employees pursuant to this Section 2.8.

## **2.9 Transfer of Excluded Assets to Residual Co.**

On the Closing Date, pursuant to the terms of the Approval and Reverse Vesting Order and in consideration for Residual Co. assuming the Excluded Liabilities pursuant to Section 2.6 of this Agreement, the Purchased Entities shall assign and transfer the Excluded Assets to Residual Co., and the Excluded Assets shall vest in Residual Co. pursuant to the Approval and Reverse Vesting Order.

## **2.10 Pre-Closing Reorganization**

- (a) Subject to Section 2.10(b), the Company agrees that, no earlier than the Business Day immediately prior to the Closing Date and upon request of the Purchaser, the Company shall, and shall cause any of the Applicants to, perform such other reorganizations of its corporate structure, capital structure, business, operations and

assets, settlements of Intercompany Liabilities, or such other transactions as Purchaser may request, acting reasonably (each such action, a "**Pre-Closing Reorganization**"). The Company agrees to use commercially reasonable efforts to cooperate with the Purchaser and its advisors to determine the nature of any Pre-Closing Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken, including filing or causing the Company to file available elections or designations reasonably required to effect the Pre-Closing Reorganizations if such filing is reasonably proposed to be made at or prior to Closing, and to cooperate with the Purchaser and its advisors to seek to obtain consents or waivers which might be required under any Retained Contracts or authorizations from Governmental Authorities in respect of any Pre-Closing Reorganization.

- (b) Notwithstanding the foregoing, the Company will not be obligated to participate in any Pre-Closing Reorganization if the Company determines acting reasonably that such Pre-Closing Reorganization would (i) materially impair, impede, delay or prevent the satisfaction of any conditions set forth in Article 7, or the ability of the Purchaser or Company to consummate, or materially delay the consummation of, the Transaction, or (ii) (A) materially alter or impact the consideration which the Applicants and/or their applicable stakeholders will benefit from as part of the Transactions, or (B) have adverse tax consequences, or impose any Liability on, the remaining Applicants or any director of the Company in each case that is greater than the amount of such tax consequences or Liability in the absence of such action.
- (c) This Agreement (including the Closing Sequence) will be amended and restated as required to give effect to a Pre-Closing Reorganization.

### ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS

#### 3.1 Purchase Price

The total aggregate consideration in respect of the Purchased Shares shall be an amount equal to the aggregate of the following (the "**Purchase Price**"):

- (a) the outstanding obligations payable by the Applicants as of the Closing Date pursuant the DIP Term Sheet including the principal amount of such claims and interest accrued as of the Closing Date, plus all accrued and unpaid interest thereon through to and including the Closing Date, plus any unpaid fees and expenses associated therewith;
- (b) the outstanding indebtedness owing by the Purchased Entities under the BMO Loan Documents that has accrued as of the Closing Date;
- (c) and an amount equivalent to all other Retained Liabilities (other than amounts of indebtedness owing under the BMO Loan Documents) that have accrued as of the Closing Date;

- (d) the amount of \$31,000,000, representing a portion of the outstanding secured obligations payable by the Applicants as of the Closing Date pursuant the TS Investments Grid Note including the principal amount of such claims and interest accrued as of the Closing Date, plus all accrued and unpaid interest thereon through to and including the Closing Date, plus any unpaid fees and expenses associated therewith (the “**Secured Credit Bid Consideration**”);
- (e) the Cure Costs;
- (f) the Priority Payment Amount; and
- (g) the Administrative Expense Amount,

(the amounts in paragraph (b), if the Purchaser elects to have the outstanding indebtedness under the BMO Loan Documents paid in cash under Sections 3.2(c), and the amounts in paragraphs (e), (f) and (g) together, the “**Cash Consideration**”).

### **3.2 Satisfaction of Purchase Price**

- (a) The Secured Credit Bid Consideration shall be paid and satisfied on the Closing Date by the Purchaser releasing the Applicants from repayment of all amounts owing in connection with the Secured Credit Bid Consideration pursuant to the Credit Bid Release.
- (b) The outstanding indebtedness of the Purchased Entities under the DIP Term Sheet shall be retained by the Purchased Entities and following Closing will be evidenced as indebtedness owing under the TS Investments Grid Note.
- (c) The outstanding indebtedness of the Purchased Entities under the BMO Loan Documents shall, at the Purchaser’s election be: (a) retained or refinanced in accordance with the BMO Post-Closing Loan Documents with the consent of BMO, or (b) be paid in cash or by such other consideration acceptable to BMO, acting reasonably.
- (d) The Retained Liabilities (other than in respect of the BMO Credit Agreement) shall be retained by the applicable Purchased Entities on the Closing Date.
- (e) The Cash Consideration shall be paid and satisfied on the Closing Date by the Purchaser paying the Cash Consideration to the Monitor, to be held in escrow and paid in accordance with the Closing Sequence. Any other consideration that may be acceptable to BMO shall be paid to it on the Closing Date.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company represents and warrants on behalf of itself and its subsidiaries who are Purchased Entities, to the Purchaser, as follows, and acknowledges that the Purchaser is relying upon the following representations and warranties in connection with its purchase of the Purchased Shares:

#### **4.1 Due Authorization and Enforceability of Obligations**

Subject to the granting of the Approval and Reverse Vesting Order, this Agreement has been duly authorized, executed and delivered by it, and constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

#### **4.2 Existence and Good Standing**

Each of the Company and the Purchased Entities is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and (i) has all requisite power and authority to execute and deliver this Agreement and (ii) has taken all requisite corporate or other action necessary for it to execute and deliver this Agreement and to perform its obligations hereunder and consummate the transaction contemplated hereunder.

#### **4.3 Absence of Conflicts**

The execution and delivery of this Agreement by the Company and the completion of its obligations hereunder and the consummation of the transactions contemplated herein do not and will not violate or conflict with any Applicable Law, (subject to the receipt of any Transaction Regulatory Approvals and the granting of the Approval and Reverse Vesting Order) and will not result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under the certificate of incorporation, articles, by-laws or other constituent documents of any Applicant. Subject to the granting of the Approval and Reverse Vesting Order, the execution, delivery and performance by the Company does not and will not violate any Order.

#### **4.4 Approvals and Consents**

The execution and delivery of this Agreement by the Company, the completion by the Company of its respective obligations hereunder and the consummation by each of the Company of the transactions contemplated herein, do not and will not require any consent or approval or other action, with or by, any Governmental Authority, other than as contemplated by the applicable Transaction Regulatory Approvals and the entry of the Approval and Reverse Vesting Order by the CCAA Court.

#### **4.5 No Actions**

There is not, as of the date hereof, pending or, to the Company's knowledge, threatened against any Applicant or any of its properties, nor has any Applicant received any written notice in respect of, any Claim, potential Claim, litigation, action, suit, arbitration, investigation or other proceeding before any Governmental Authority or legislative body, other than the CCAA Court, that, would prevent the Company from executing and delivering this Agreement, performing its obligations hereunder and consummating the transactions and agreements contemplated by this Agreement.

## **ARTICLE 5**

### **REPRESENTATIONS AND WARRANTIES OF PURCHASER**

Purchaser represents and warrants to the Company as follows, and acknowledges that the Company is relying upon the following representations and warranties in connection with the sale of the Purchased Shares:

#### **5.1 Due Authorization and Enforceability of Obligations**

This Agreement has been duly authorized, executed and delivered by the Purchaser, and, assuming the due authorization, execution and delivery by it, this Agreement constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

#### **5.2 Existence and Good Standing**

Purchaser is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and consummate the transactions contemplated by this Agreement.

#### **5.3 Absence of Conflicts**

The execution and delivery of this Agreement by the Purchaser and the completion by the Purchaser of its obligations hereunder and the consummation of the transactions contemplated herein do not and will not violate or conflict with any Applicable Law, or any of its properties or assets, (subject to the receipt of any applicable Transaction Regulatory Approvals) and will not result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under its certificate of incorporation, articles, by-laws or other constituent documents.

#### **5.4 Approvals and Consents**

The execution and delivery of this Agreement by the Purchaser, the completion by the Purchaser of its obligations hereunder and the consummation by the Purchaser of the transactions contemplated herein, do not and will not require any consent, approval or other action, with or by, any Governmental Authority, other than as contemplated by the applicable Transaction Regulatory Approvals and the granting of the Approval and Reverse Vesting Order by the CCAA Court.

#### **5.5 No Actions**

There is not, as of the date hereof, pending or, to the Purchaser's knowledge, threatened against it or any of its properties, nor has the Purchaser received notice in respect of, any Claim, potential Claim, litigation, action, suit, arbitration, investigation or other proceeding before any Governmental Authority or legislative body, other than the CCAA Court, that, would prevent it



from executing and delivering this Agreement, performing its obligations hereunder and consummating the transactions and agreements contemplated by this Agreement.

## **5.6 Credit Bid and Cash Consideration; Availability of Funds**

- (a) The Purchaser will have executed on or prior to Closing, the requisite documents to allow the Purchaser, and the Purchaser is and will be duly authorized, to, among other things, deliver the Secured Credit Bid Consideration in connection with the consummation of the Closing hereunder, which documents shall be delivered by the Purchaser to the Company.
- (b) The Purchaser will have on Closing, sufficient unrestricted funds and financial capacity to consummate the transactions contemplated by this Agreement, including payment of the Cash Consideration.

## **5.7 Residence**

Purchaser is not a non-resident of Canada within the meaning of the Tax Act.

## **ARTICLE 6 AS IS, WHERE IS**

The Purchaser acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Business, the Purchased Shares, the Retained Liabilities and all related operations of the Purchased Entities, and, based solely thereon and the advice of its financial, legal and other advisors, has determined to proceed with the transactions contemplated by this Agreement. The Purchaser has relied solely on the results of its own independent investigation and verification and, except for the representations and warranties of the Company expressly set forth in Article 4, the Purchaser understands, acknowledges and agrees that all other representations, warranties, conditions and statements of any kind or nature, expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Purchased Entities or the Business, or the quality, quantity or condition of the Purchased Shares) are specifically disclaimed by each of the Company, the other Purchased Entities, their respective financial and legal advisors and the Monitor and its legal counsel. THE PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY EXPRESSLY AND SPECIFICALLY SET FORTH IN ARTICLE 4: (A) THE PURCHASER IS ACQUIRING THE PURCHASED SHARES ON AN “AS IS, WHERE IS” BASIS; AND (B) NONE OF THE COMPANY, THE OTHER APPLICANTS, THE MONITOR OR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF EITHER OF THE COMPANY, THE OTHER APPLICANTS OR THE MONITOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND THE PURCHASER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING THE PURCHASED ENTITIES, THE BUSINESS, THE PURCHASED SHARES, THE RETAINED LIABILITIES, THE EXCLUDED ASSETS, THE EXCLUDED



LIABILITIES, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THE AGREEMENT, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE PURCHASER OR ANY OF ITS RESPECTIVE REPRESENTATIVES, INCLUDING WITH RESPECT TO MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH THE PURCHASER CONFIRMS DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY THE PURCHASER.

## **ARTICLE 7 CONDITIONS**

### **7.1 Conditions for the Benefit of the Purchaser and Company**

The respective obligations of the Purchaser and the Company to consummate the transactions contemplated by this Agreement are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) *No Law* – no provision of any Applicable Law and no Order preventing or otherwise frustrating the consummation of the purchase of the Purchased Shares or any of the other transactions pursuant to this Agreement shall be in effect;
- (b) *Final Orders* – each of the SISP Order and the Approval and Reverse Vesting Order shall have been issued and entered and shall be Final Orders;
- (c) *Successful Bid* – this Agreement will be the Successful Bid (as determined pursuant to the SISP); and
- (d) *Transaction Regulatory Approvals* – the Parties shall have received the required Transaction Regulatory Approvals, and all such Transaction Regulatory Approvals shall be in full force and effect, except for Transaction Regulatory Approvals that need not be in full force and effect prior to Closing.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of each of the Company and the Purchaser. Any condition in this Section 7.1 may be jointly waived by the Company and by the Purchaser, in whole or in part, without prejudice to any of their respective rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver will be binding on the Company and the Purchaser, as applicable, only if made in writing.

### **7.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to consummate the transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver by the Purchaser of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Purchaser):

- (a) *Performance of Covenants* – the covenants contained in this Agreement to be performed or complied with by the Company at or prior to the Closing Time shall have been performed or complied with in all material respects as at the Closing Time;
- (b) *Truth of Representations and Warranties* – (i) the representations and warranties of the Company contained in Article 4 shall be true and correct in all respects as of the Closing Date, as if made at, and as of, such date (except for representations and warranties made as of specified date, the accuracy of which shall be determined as of such specified date) except where the failure to be so true and correct would not, in the aggregate, have a Material Adverse Effect (and, for this purpose, any reference to “material”, “Material Adverse Effect” or other concepts of materiality in such representation and warranties shall be ignored);
- (c) *Officer’s Certificates* – The Purchaser shall have received a certificate confirming the satisfaction of the conditions contained in Sections 7.2(a) (Performance of Covenants) the covenants contained in this Agreement to be performed or complied with by the Company at or prior to the Closing Time shall have been performed or complied with in all material respects as at the Closing Time and 7.2(b) (Truth of Representations and Warranties), signed for and on behalf of the Company by an executive officer of the Company or other Persons acceptable to the Purchaser, without personal liability, in each case in form and substance reasonably satisfactory to the Purchaser;
- (d) *Company’s Deliverables* – the Company shall have delivered to the Purchaser all of the deliverables contained in Section 11.3 in form and substance reasonably satisfactory to the Purchaser;
- (e) *Terminated Employees* - the applicable Purchased Entity shall have terminated the employment of the Terminated Employees, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of or damages in lieu of, statutory notice, termination payments, severance, benefits, bonuses or other compensation or entitlements, shall be Excluded Liabilities which, pursuant the Approval and Reverse Vesting Order, shall be assigned and transferred as against the applicable Purchased Entity to, and assumed by, Residual Co.
- (f) *Licence Condition* - the Licences are in good standing and will continue in good standing, and not be suspended or terminated, following the Closing Date, which shall be satisfied upon, among other things, evidence from the applicable Governmental Authority that such Licences are in good standing and will not be suspended or terminated by such Governmental Authority as a result of any events, or amounts owing by any Applicants, relating to the period preceding the Closing Date, unless the failure for any such License or Licences being in good standing or being suspended or terminated does not, in the aggregate, have a Material Adverse Effect.

### 7.3 Conditions for the Benefit of the Company

The obligation of the Company to consummate the transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver where applicable by the Company of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Company):

- (a) *Truth of Representations and Warranties* – the representations and warranties of the Purchaser contained in Article 5 will be true and correct in all respects on and as of the date of this Agreement and on and as of the Closing Date as if made on and as of such date (except for representations and warranties made as of specified date, the accuracy of which shall be determined as of such specified date) except where the failure to be so true and correct would not reasonably be expected to have a material and adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement;
- (b) *Performance of Covenants* – the covenants contained in this Agreement to be performed by the Purchaser at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) *Officer's Certificate* – The Company shall have received a certificate confirming the satisfaction of the conditions contained in Sections 7.3(a) and 7.3(b) signed for and on behalf of the Purchaser without personal liability by an executive officer of the Purchaser or other Persons acceptable to the Company, acting in a commercially reasonable manner, in each case, in form and substance satisfactory to the Company, acting in a commercially reasonable manner; and
- (d) *Purchaser Deliverables* – Purchaser shall have delivered to the Company all of the deliverables contained in Section 11.4 in form and substance satisfactory to the Company, acting in a commercially reasonable manner.

## ARTICLE 8 ADDITIONAL AGREEMENTS OF THE PARTIES

### 8.1 Break-Up Fee

- (a) Upon completion of a Successful Bid (as defined in the SISP) other than the Transaction, a fee in cash equal to, in the aggregate of 1% of the Secured Credit Bid Consideration plus the amount of outstanding indebtedness under the DIP Term Sheet that is assumed at Closing (such amount, the “**Break-Up Fee**”) shall be payable concurrently with the consummation of such Successful Bid to the Purchaser by the Company.
- (b) For the avoidance of doubt, and notwithstanding anything to the contrary set forth in this Section 8.1, (x) under no circumstances shall the Company be obligated to pay the Break-Up Fee more than once and (y) in no event shall the Company (or any other Person) be required to pay all or any portion of the Break-Up Fee to the Purchaser if the Company has terminated this Agreement other than in connection

with CCAA Court approval of a Successful Bid (which is not the Transaction) in accordance with the terms of the SISP.

- (c) The Company acknowledges (i) that the Purchaser has made a substantial investment of management time and incurred substantial out-of-pocket expenses in connection with the negotiation and execution of this Agreement and its effort to consummate the transactions contemplated hereby, and (ii) that the Parties' efforts have substantially benefited the Company and the bankruptcy estates of the Purchased Entities through the submission of the offer that is reflected in this Agreement, that will serve as a minimum bid on which other potential interested bidders can rely, thus increasing the likelihood that the price at which the Purchased Entities are sold will be validated. The Parties hereby acknowledge that the amounts payable pursuant to this Section 8.1 are commercially reasonable and necessary to induce the Purchaser to enter into this Agreement and consummate the transactions contemplated hereby. For the avoidance of doubt, the covenants set forth in this Section 8.1 are continuing obligations and survive termination of this Agreement.

## **8.2 Access to Information and Properties**

- (a) Until the Closing Time, the Company, with oversight of the Monitor, shall give to the Purchaser's personnel engaged in the transactions contemplated by this Agreement and their accountants, legal advisers, consultants, financial advisors and representatives during normal business hours reasonable access to its premises and to all of the books, records, and other information relating to the Business, and shall furnish them with all such information relating to the Business, the Applicants, the Retained Liabilities and the list of Employees as Purchaser may reasonably request in connection with the transactions contemplated by this Agreement, such requests to be made to the Monitor; provided that such access shall be conducted at Purchaser's expense, in accordance with Applicable Law and under supervision of the Monitor or the Company's senior management and in such a manner as to maintain confidentiality, and the Company will not be required to provide access to or copies of any such books and records if: (i) the provision thereof would cause applicable Company to be in contravention of any Applicable Law; (ii) breach the terms of the SISP Order; or (iii) making such information available would: (1) result in the loss of any lawyer-client or other legal privilege; or (2) cause applicable Company to be found in contravention of any Applicable Law, or contravene any fiduciary duty or agreement (including any confidentiality agreement to which the Company or any of its Affiliates are a party). Notwithstanding anything in this Section 8.2 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the conduct of the Business or the possible sale thereof to any other Person.
- (b) Following the Closing, the Purchaser shall make all books and records of the Applicants as of the Closing reasonably available to the Monitor and any trustee in bankruptcy of any of the Applicants upon at least five Business Days prior notice, for a period of seven years after Closing, and shall, at such Party's expense, permit the Monitor and any trustee in bankruptcy of the Applicants to take copies thereof

as they may determine to be necessary or useful to accomplish their respective roles; provided that Purchaser shall not be obligated to make such books and records available to the extent that doing so would: (i) violate Applicable Law; (ii) jeopardize the protection of a solicitor-client privilege; or (iii) unreasonably interfere with the ongoing business and operations of the Purchased Entities and their Affiliates, as determined by the Applicants, acting reasonably.

- (c) Following the Closing, the Applicants shall make all books and records comprising Excluded Assets reasonably available to the Monitor and any trustee in bankruptcy of any of the Applicants upon at least five Business Days prior notice, for a period of seven years after Closing, and shall, at such Party's expense, permit the Monitor and any trustee in bankruptcy of the Applicants to take copies thereof as they may determine to be necessary or useful to accomplish their respective roles; provided that such Applicant shall not be obligated to make such books and records available to the extent that doing so would: (i) violate Applicable Law; (ii) jeopardize the protection of a solicitor-client privilege; or (iii) unreasonably interfere with the ongoing business and operations of the Applicants and their Affiliates, as determined by the Applicants, acting reasonably.

### **8.3 Regulatory Approvals and Consents**

- (a) The Parties shall use commercially reasonable efforts to apply for and obtain any Transaction Regulatory Approvals as soon as reasonably practicable and no later than the time limits imposed by Applicable Laws, in accordance with Section 8.3(b), in each case at the sole cost and expense of the Company.
- (b) Without limiting the generality of the foregoing, the Parties shall: (i) give each other reasonable advance notice of all meetings or other oral communications with any Governmental Authority relating to the Transaction Regulatory Approvals, as applicable, and provide as soon as practicable but in any case, if any, within the required time, any additional submissions, information and/or documents requested by any Governmental Authority necessary, proper or advisable to obtain the Transaction Regulatory Approvals; (ii) not participate independently in any such meeting or other oral communication without first giving the other Party (or their outside counsel) an opportunity to attend and participate in such meeting or other oral communication, unless otherwise required or requested by such Governmental Authority; (iii) if any Governmental Authority initiates an oral communication regarding the Transaction Regulatory Approvals, promptly notify the other Party of the substance of such communication; (iv) subject to Applicable Laws relating to the exchange of information, provide each other with a reasonable advance opportunity to review and comment upon and consider in good faith the views of the other in connection with all written communications (including any filings, notifications, submissions, analyses, presentations, memoranda, briefs, arguments, opinions and proposals) made or submitted by or on behalf of a Party with a Governmental Authority regarding the Transaction Regulatory Approvals as applicable; and (v) promptly provide each other with copies of all written

communications to or from any Governmental Authority relating to the Transaction Regulatory Approvals as applicable.

- (c) Each of the Parties may, as advisable and necessary, reasonably designate any competitively or commercially sensitive material provided to the other under this Section 8.3 as “Outside Counsel Only Material”, provided that the disclosing Party also provides a redacted version to the receiving Party. Such materials and the information contained therein shall be given only to the outside legal counsel of the recipient and, subject to any additional agreements between the Parties, will not be disclosed by such outside legal counsel to Employees, officers or directors of the recipient unless express written permission is obtained in advance from the source of the materials or its legal counsel.
- (d) The obligations of either Party to use its commercially reasonable efforts to obtain the Transaction Regulatory Approvals does not require either Party (or any Affiliate thereof) to undertake any divestiture of any business or business segment of such Party, to agree to any material operating restrictions related thereto or to incur any material expenditure(s) related therewith, unless agreed to by the Parties. In connection with obtaining the Transaction Regulatory Approvals, no Purchased Entity shall agree to any of the foregoing items without the prior written consent of the Purchaser.

#### **8.4 Covenants Relating to this Agreement**

- (a) Each of the Parties shall perform all obligations required to be performed by the applicable Party under this Agreement, co-operate with the other Parties in connection therewith and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, from the date hereof until the Closing Date, each Party shall and, where appropriate, shall cause each of its Affiliates to:
  - (i) negotiate in good faith and use its commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to satisfy the conditions precedent to the obligations of such Party hereunder (including, where applicable, negotiating in good faith with the applicable Governmental Authorities and/or third Persons in connection therewith), and to cause the fulfillment at the earliest practicable date of all of the conditions precedent to the other Party’s obligations to consummate the transactions contemplated hereby; and
  - (ii) not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the transactions contemplated by this Agreement.



- (b) From the date hereof until the Closing Date, Purchaser hereby agrees, and hereby agrees to cause its representatives to, keep the Company informed on a reasonably current basis, and no less frequently than on a weekly basis through teleconference or other meeting, and as reasonably requested by each of the Company or the Monitor, as to the Purchaser's progress in terms of the satisfaction of the conditions precedent contained herein.
- (c) From the date hereof until the Closing Date, the Company hereby agrees, and hereby agrees to cause its representatives to, keep Purchaser informed on a reasonably current basis, and no less frequently than on a weekly basis through teleconference or other meeting, and as reasonably requested by the Purchaser or the Monitor, as to the applicable Company's progress in terms of the satisfaction of the conditions precedent contained herein.
- (d) Each of the Company and the Purchaser agree to execute and deliver such other documents, certificates, agreements and other writings, reasonably necessary for the consummation of the transactions contemplated by this Agreement, and to take such other actions to consummate or implement as soon as reasonably practicable, the transactions contemplated by this Agreement.
- (e) From the date hereof until the Closing Date, the Company hereby agrees, and hereby agrees to cause their representatives to, promptly notify the Purchaser of (i) any event, condition, or development that has resulted in the inaccuracy in a material respect or material breach of any representation or warranty, covenant or agreement contained in this Agreement, or (ii) any event or matter involving a License which may be expected to result in the condition in Section 7.2(f) not being satisfied.
- (f) Each of the Company and the Purchaser agree to use commercially reasonable efforts to timely prepare and file all documentation and pursue all steps reasonably necessary to obtain any material third-party consents and approvals, including without limitation the Transaction Regulatory Approvals, as may be required in connection with the transaction contemplated by this Agreement.
- (g) The Company agrees to use commercially reasonable efforts to promptly provide all documentation, copies of agreements and information reasonably required by the Purchaser to complete and finalize the Schedules to this Agreement. Such information and documentation shall be provided to the Purchaser on an ongoing basis following execution of this Agreement and in any event shall be provided to the Purchaser no later than ten (10) days prior to the hearing of the Applicants' motion to the CCAA Court seeking the Approval and Reverse Vesting Order.
- (h) If Purchaser is the Successful Bidder, at the request of the Purchaser, the Company shall proceed with the liquidation, winding-up, dissolution and/or amalgamation of any of the Purchased Entities designated by the Purchaser on or prior to the Closing Date.

## **8.5 Administrative Expense Amount**

- (a) On the Closing Date, the Administrative Expense Amount shall be paid to the Monitor, which the Monitor shall hold for the benefit of Persons entitled to be paid the Administrative Expense Costs.
- (b) From time to time after the Closing Date, the Monitor may pay, on behalf of the Purchased Entities, the Administrative Expense Costs, from the Administrative Expense Amount, in each case to the Persons entitled to receive payment of these amounts, in its sole discretion and without further authorization from the Purchased Entities or Purchaser. Any unused portion of the Administrative Expense Amount after payment or reservation for all Administrative Expense Amount, as determined by the Monitor, in its sole discretion, shall be transferred by the Monitor to the Company, or as directed by it.
- (c) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of the Company and the Purchaser acknowledges and agrees that: (i) the Monitor's obligations under this Agreement are and shall remain limited to those specifically set out in this Section 8.5; and (ii) Monitor is acting solely in its capacity as the CCAA Court-appointed Monitor of the Applicants pursuant to the Initial Order and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor's gross negligence or intentional fault.
- (d) The Parties acknowledge that the Monitor may rely upon the provisions of this Section 8.5 notwithstanding that the Monitor is not a party to this Agreement.

The provisions of Sections 8.5(c) and (d) above shall survive the termination or non-completion of the transactions contemplated by this Agreement.

## **ARTICLE 9 INSOLVENCY PROVISIONS**

### **9.1 Court Orders and Related Matters**

- (a) From and after the date of this Agreement and until the Closing Date, the Company shall deliver to the Purchaser drafts of any and all pleadings, motions, notices, statements, applications, schedules, and other papers to be filed or submitted by any of the Applicants in connection with or related to this Agreement, including with respect to the Approval and Reverse Vesting Order, for Purchaser's prior review at least two (2) days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for two (2) days' review, with as much opportunity for review and comment as is practically possible in the circumstances). The Company acknowledge and agree (i) that any such pleadings, motions, notices, statements, applications, schedules, or other papers shall be in



form and substance satisfactory to the Purchaser, acting reasonably, and (ii) to consult and cooperate with Purchaser regarding any discovery, examinations and hearing in respect of any of the foregoing, including the submission of any evidence, including witnesses testimony, in connection with such hearing.

- (b) Notice of the motions seeking the issuance of the Approval and Reverse Vesting Order shall be served or be caused to be served by the Applicants on all Persons required to receive notice under Applicable Law and the requirements of the CCAA, the CCAA Court, and any other Person determined necessary by the Applicants or Purchaser, acting reasonably.
- (c) As soon as practicable if Purchaser is selected or deemed to be the Successful Bidder in accordance with the SISP, the Applicants shall file a motion seeking the issuance of the Approval and Reverse Vesting Order.
- (d) If the Approval and Reverse Vesting Order relating to this Agreement is appealed or a motion for leave to appeal, rehearing, re-argument or reconsideration is filed with respect thereto, each of the Applicants agree (subject to the available liquidity of each of the Applicants) to take all action as may be commercially reasonable and appropriate to defend against such appeal, petition or motion.
- (e) The Company acknowledges and agrees, that the Approval and Reverse Vesting Order shall provide that, on the Closing Date and concurrently with the Closing, the Purchased Shares shall be transferred to the Purchaser free and clear of all Encumbrances, other than Permitted Encumbrances.

## **ARTICLE 10 TERMINATION**

### **10.1 Termination**

This Agreement may be terminated at any time prior to Closing as follows:

- (a) by mutual written consent of each of the Company and the Purchaser;
- (b) by the Purchaser or the Company, if (i) this Agreement is not the Successful Bid (as determined pursuant to the SISP) and the transaction contemplated by the Successful Bid is closed;
- (c) by the Purchaser or the Company, if Closing has not occurred on or before December 6, 2024 or such later date agreed to by each of the Company and the Purchaser in writing in consultation with the Monitor (the “**Outside Date**”), provided that the terminating Party is not in breach of any representation, warranty, covenant or other agreement in this Agreement which would prevent the satisfaction of the conditions in Article 7 by the Outside Date;
- (d) by the Purchaser or the Company, if at any time after the date hereof any of the conditions in Article 7 is not capable of being satisfied by the applicable dates

required in Article 7 of this Agreement or if not otherwise required, by the Outside Date, provided that the terminating Party is not in breach of any representation, warranty, covenant or other agreement in this Agreement which would prevent the satisfaction of the conditions in Article 7 by the Outside Date;;

- (e) by the Purchaser, upon the appointment of a receiver, trustee in bankruptcy or similar official in respect of any Applicant or any of the property of any Applicant, other than with the prior written consent of the Purchaser;
- (f) by the Purchaser or the Company, upon the termination, dismissal or conversion of the CCAA Proceedings;
- (g) by the Purchaser or the Company, upon dismissal of the motion for the Approval and Reverse Vesting Order (or if any such order is stayed, vacated or varied without the consent of the Purchaser);
- (h) by the Purchaser or the Company, if a court of competent jurisdiction, including the CCAA Court or other Governmental Authority has issued an Order or taken any other action to restrain, enjoin or otherwise prohibit the consummation of Closing and such Order or action has become a Final Order;
- (i) by the Company, if there has been a material violation or breach by the Purchaser of any covenant, representation or warranty which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.3, as applicable, by the Outside Date, and such violation or breach has not been waived by the Company, or cured by the Purchaser within ten (10) Business Days after written notice thereof from the Company, unless the Company is in material breach of its obligations under this Agreement which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.2, as applicable, by the Outside Date; and
- (j) by the Purchaser, if there has been a material violation or breach by the Company of any covenant, representation or warranty which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.2, as applicable, by the Outside Date, and such violation or breach has not been waived by the Purchaser, or cured by the Company within ten (10) Business Days after written notice thereof from the Purchaser, unless the Purchaser is in material breach of its obligations under this Agreement which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.3, as applicable, by the Outside Date.

The Party desiring to terminate this Agreement pursuant to this Section 10.1 (other than pursuant to Section 10.1(a)) shall give written notice of such termination to the other Party or Parties, as applicable, specifying in reasonable detail the basis for such Party's exercise of its termination rights.

## **10.2 Effect of Termination**

In the event of termination of this Agreement pursuant to Section 10.1, this Agreement shall become void and of no further force or effect without liability of any Party to any other Party to

this Agreement except that: (i) Section 8.1, 8.5(c) and 8.5(d), this Section 10.2, Section 12.1, 12.2, 12.5, 12.6 and 12.7 shall survive; and (ii) no termination of this Agreement shall relieve any Party of any liability for any wilful breach by it of this Agreement, or impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement in accordance with Section 12.3.

## **ARTICLE 11 CLOSING**

### **11.1 Location and Time of the Closing**

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence (as defined below), and shall be subject to such escrow document release arrangements as the Parties may agree.

### **11.2 Closing Sequence**

On the Closing Date, subject to the terms of the Approval and Reverse Vesting Order, Closing shall take place in the sequence set out in the Closing Sequence. The Purchaser may, as a result of any Pre-Closing Reorganization or otherwise with the prior consent of the Company and the Monitor, acting reasonably, amend the Closing Sequence provided that such amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transactions.

### **11.3 Company's Deliveries at Closing**

At Closing, the Company, as applicable, shall deliver to the Purchaser the following:

- (a) a true copy of each of the Approval and Reverse Vesting Order and the SISP Order, each of which shall be final;
- (b) the certificates contemplated by Section 7.2(c);
- (c) the BMO Post-Closing Loan Documents (unless the Purchaser elects to pay the indebtedness owing under the BMO Loan Documents in cash under Section 3.2(b));
- (d) an updated TS Investments Grid Note which reflects a reduction in indebtedness in respect of the Secured Credit Bid Consideration and an increase in indebtedness in respect of outstanding indebtedness under the DIP Term Sheet that is retained;
- (e) confirmation of the due incorporation and organization of Residual Co. on the terms set forth herein;
- (f) evidence of completion of any Pre-Closing Reorganization;
- (g) evidence of the filing of the Articles of Reorganization, if determined necessary by the Purchaser; and

- (h) all other documents as reasonably requested by the Purchaser in good faith.

#### **11.4 Purchaser's Deliveries at Closing**

At Closing, the Purchaser shall deliver to the Company or, in the case of the amount described in 11.4(b), to the Monitor:

- (a) the Credit Bid Release;
- (b) an acknowledgment and agreement that the outstanding indebtedness under the DIP Term Sheet is being retained by the Purchased Entities and will be evidenced as indebtedness under the TS Investments Grid Note following Closing;
- (c) the Cash Consideration;
- (d) the certificate contemplated by Section 7.3(c); and
- (e) all other documents required to effect to the transaction contemplated by this Agreement, as reasonably requested by the Company in good faith.

#### **11.5 Monitor**

When all conditions to Closing set out in Article 7 have been satisfied and/or waived by the Company or the Purchaser, as applicable, the Company and the Purchaser, or their respective counsel, shall each deliver to the Monitor written confirmation, in form and substance satisfactory to the Monitor, that all conditions to Closing have been satisfied or waived, subject to the Monitor's delivery of the Monitor's Certificate to the Purchaser in accordance with the Approval and Reverse Vesting Order. Upon receipt of such written confirmation, the Monitor shall: (i) issue forthwith its Monitor's Certificate in accordance with the Approval and Reverse Vesting Order; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the CCAA Court (and shall provide a true copy of such filed certificate to each of the Company and the Purchaser). The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the CCAA Court without independent investigation upon receiving written confirmation from the Company and the Purchaser that all conditions to Closing have been satisfied or waived, and the Monitor will have no liability whatsoever to any of the Company or Purchaser or any other Person as a result of filing the Monitor's Certificate.

#### **11.6 Simultaneous Transactions**

All actions taken and transactions consummated at the Closing shall be deemed to have occurred in the manner and sequence set forth in the Closing Sequence and the Approval and Reverse Vesting Order (subject to the terms of any escrow agreement or arrangement among the Parties relating to the Closing), and no such transaction shall be considered consummated unless all are consummated.

### **11.7 Further Assurances**

As reasonably required by a Party in order to effectuate the transactions contemplated by this Agreement, Purchaser and each of the Applicants shall execute and deliver at (and after) the Closing such other documents, and shall take such other actions, as are necessary or appropriate, to implement and make effective the transactions contemplated by this Agreement.

## **ARTICLE 12 GENERAL MATTERS**

### **12.1 Confidentiality**

After the Closing Time, the remaining Applicants shall maintain the confidentiality of all confidential information relating to the Business and the Purchased Entities, except any disclosure of such information and records as may be required by Applicable Law. If any remaining Applicant, or any of their respective representatives, becomes legally compelled by deposition, interrogatory, request for documents, subpoena, civil investigative demand, or similar judicial or administrative process, to disclose any such information, such party shall, or shall cause its representative to, provide the Purchaser with reasonably prompt prior oral or written notice of such requirement (including any report, statement, testimony or other submission to such Governmental Authority) to the extent legally permissible and reasonably practicable, and cooperate with Purchaser, at Purchaser's expense, to obtain a protective order or similar remedy to cause such information not to be disclosed; provided that in the event that such protective order or other similar remedy is not obtained, the applicable Applicant shall, or shall cause its representative to, furnish only that portion of such information that has been legally compelled, and shall, or shall cause such representative to, exercise its commercially reasonable efforts to obtain assurance that confidential treatment will be accorded to such disclosed information. The remaining Applicants shall instruct their representatives having access to such information of such obligation of confidentiality and shall be responsible for any breach of the terms of this Section 12.1 by any of their representatives.

### **12.2 Public Notices**

No press release or other announcement concerning the transactions contemplated by this Agreement shall be made by any of the Applicants or Purchaser without the prior consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed); provided, however, that subject to the last sentence of this Section 12.2, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings), and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Party to the extent legally permissible and reasonably practicable, and if such prior notice is not legally permissible or reasonably practicable, to give such notice reasonably promptly following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by either Party, as applicable with the CCAA Court; and (ii) the transactions contemplated in this Agreement may be disclosed by the Company to the CCAA Court. The Parties further agree that:

- (a) the Monitor may prepare and file reports and other documents with the CCAA Court containing references to the transactions contemplated by this Agreement and the terms of such transactions; and
- (b) the Applicants, the Purchaser and their respective professional advisors may prepare and file such motions, affidavits, materials, reports and other documents with the CCAA Court containing references to the transactions contemplated by this Agreement and the terms of such transactions as may reasonably be necessary to complete the transactions contemplated by this Agreement or to comply with their obligations in connection therewith.

Purchaser shall be afforded an opportunity to review and comment on such materials prior to their filing; provided in the case of reports or other documents prepared or to be filed by the Monitor with the CCAA Court the Purchaser shall be entitled to review only factual information contained therein relating to the terms of the transactions contemplated in this Agreement. The Parties may issue a joint press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to them.

### **12.3 Injunctive Relief**

- (a) The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek specific performance, injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such specific performance, injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at law or in equity.
- (b) Each Party hereby agrees not to raise any objections to the availability of the equitable remedies provided for herein and the Parties further agree that by seeking the remedies provided for in this Section 12.3, a Party shall not in any respect waive its right to seek any other form of relief that may be available to a Party under this Agreement.
- (c) Notwithstanding anything herein to the contrary herein, under no circumstances shall a Party be permitted or entitled to receive both monetary damages and specific performance and election to pursue one shall be deemed to be an irrevocable waiver of the other.

### **12.4 Survival**

None of the representations, warranties, covenants (except the covenants in Article 2, Article 3, Article 12 and Sections 8.2(b) and 8.4, to the extent they are to be performed after the Closing) of any of the Parties set forth in this Agreement, in any Closing Document to be executed and delivered by any of the Parties (except any covenants included in such Closing Documents, which,

by their terms, survive Closing) or in any other agreement, document or certificate delivered pursuant to or in connection with this Agreement or the transactions contemplated hereby shall survive the Closing.

## **12.5 Non-Recourse**

No past, present or future director, officer, Employee, incorporator, member, partner, security holder, Affiliate (provided that for purposes of this Section 12.5 Purchaser and Company shall not be considered Affiliates of each other), agent, lawyer or representative of the respective Parties, in such capacity, shall have any liability for any obligations or liabilities of the Purchaser or the Company, as applicable, under this Agreement, or for any causes of action based on, in respect of or by reason of the transactions contemplated hereby.

## **12.6 Assignment; Binding Effect**

No Party may assign its right or benefits under this Agreement without the consent of each of the other Parties, except that without such consent Purchaser may, upon prior notice to the Company, assign this Agreement, or any or all of its rights and obligations hereunder, to one or more of its Affiliates; provided that no such assignment or direction shall relieve Purchaser of its obligations hereunder. This Agreement shall be binding upon and enure to the benefit of the Parties and their respective permitted successors and permitted assigns. Although not Parties to this Agreement, the Monitor and its respective Affiliates and advisors shall have the benefits expressed to be conferred upon them in this Agreement, including in Article 6, and Section 12.4 (in respect of the Monitor) hereof. Subject to the preceding sentence, nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person not a Party to this Agreement.

## **12.7 Notices**

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two (2) days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five (5) days after mailing via certified mail, return receipt requested. All notices not delivered personally or by email will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) If to the Purchaser at:

TS Investments Corp.  
Suite 2700 Edmonton Tower, 10111 104 Avenue NW  
Edmonton, AB T5J 0J4

Attention: Paul Marcaccio  
Email: pmarcaccio@oegi.ca

and to:



Osler, Hoskin & Harcourt LLP  
 First Canadian Place  
 100 King St. W Suite 6200  
 Toronto, ON M5X 1B8

Attention: Marc Wasserman / Martino Calvaruso / Justin Sherman

Email: [mwasserman@osler.com](mailto:mwasserman@osler.com) / [mcavaruso@osler.com](mailto:mcavaruso@osler.com) / [jsherman@osler.com](mailto:jsherman@osler.com)

If to the Company at:

2675970 Ontario Inc.  
 Suite 301 – 14 Duncan Street  
 Toronto, Ontario M5H 3G8

Attention: Andy Williams  
 Email: [awilliams@tokyosmoke.ca](mailto:awilliams@tokyosmoke.ca)

and to:

Reconstruct LLP  
 Richmond-Adelaide Centre  
 120 Adelaide Street West, Suite 2500  
 Toronto, ON M5H 1T1

Attention: Caitlin Fell / Sharon Kour / Jessica Wuthmann  
 Email: [cfell@reconllp.com](mailto:cfell@reconllp.com) / [skour@reconllp.com](mailto:skour@reconllp.com) / [jwuthmann@reconllp.com](mailto:jwuthmann@reconllp.com)

and to:

If to the Monitor at:

Alvarez & Marsal Canada Inc.  
 Royal Bank Plaza, South Tower  
 200 Bay Street, Suite 3501  
 P.O. Box 22  
 Toronto ON M5J 2J1  
 Canada

Attention: Joshua Nevsky  
 Email: [TokyoSmoke@alvarezandmarsal.com](mailto:TokyoSmoke@alvarezandmarsal.com)

and to:

Stikeman Elliott LLP  
 5300 Commerce Court West,



199 Bay St.  
Toronto, ON M5L 1B9

Attention: Lee Nicholson / Maria Konyukhova

Email: [leenicholson@stikeman.com](mailto:leenicholson@stikeman.com) / [mkonyukhova@stikeman.com](mailto:mkonyukhova@stikeman.com)

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

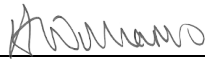
## **12.8 Counterparts; Electronic Signatures**

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement may be made by electronic signature which, for all purposes, shall be deemed to be an original signature.


*[Signature pages to follow]*

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

**2675970 ONTARIO INC.**

By:   
Name: Andy Williams  
Title: President

**TS INVESTMENTS CORP.**

By:   
Name: Paul T. Marcaccio  
Title: Chief Financial Officer

**SCHEDULE 1.1(mm)****ENCUMBRANCES TO BE DISCHARGED**

1. The DIP Lender's Charge
2. The CCAA Charges

**SCHEDULE 1.1(mmm)**  
**PERMITTED ENCUMBRANCES**

1. Any Encumbrances that secure obligations under the BMO Post-Closing Loan Documents.
2. Any Encumbrances that secure Intercompany Liabilities.
3. Any Encumbrances that secure obligations under the TS Investments Grid Note.

**SCHEDULE 1.1(www)**  
**RESTRUCTURED LEASES**

The following Restructured Leases feature terms in favor of the Tenant:

1. *JS201* with respect to the lease of Suite 2021, 540 Arthur Street W, Thunder Bay, ON.
2. *JS202* with respect to the lease of Unit 2, Unit 2, 701 Memorial Ave, Thunder Bay, ON.
3. *RM100* with respect to the lease of 1450 Main St. S., Unit D011, Dauphin, MB.
4. *RM101* with respect to the premises located at 2705 Victoria Avenue, Brandon, MB.
5. *RM202* with respect to the lease of 195 La Verendrye Blvd., Unit A, Morden, MB
6. *RM203* with respect to the lease of 54-70 Arthur Street., Unit 101, B004 & B005, Winnipeg, MB.
7. *RM205* with respect to the lease of 55B Goulet Street, Winnipeg, MB.
8. *RS100* with respect to the lease of 101 Centre Street, Meadow Lake, SK.
9. *RS101* with respect to the lease of 1919A – 8<sup>th</sup> Avenue, Unit R20, Humboldt, SK.
10. *TS139* with respect to the lease of 1011 Princess Street, Kingston, ON.
11. *TS147* with respect to the lease of Unit 3, 4515 Dundas Street, Burlington, ON.
12. *TS149* with respect to the lease of Unit A002, 555 Essa Road, Barrie, ON.
13. *TS156* with respect to the lease of 11795 Bramalea Road, Brampton, ON.
14. *TS204* with respect to the lease of Unit 7, 400 King Street, Oshawa, ON.
15. *TS205* with respect to the lease of 1082 Memorial Avenue, Thunder Bay, ON.
16. *TS206* with respect to the lease of Unit 6B, 666 Wonderland Road North, London, ON.
17. *TS207* with respect to the lease of 979 Bloor Street West, Toronto, ON.
18. *TS212* with respect to the lease of Unit 665-500, 655 Erb Street West, Waterloo, ON.
19. *TS218* with respect to the lease of 2257 Rymal Rd., Stoney Creek, ON.
20. *TS222* with respect to the lease of Unit BB03, 361 Mountainview Road, Georgetown, ON.

21. *TS228* with respect to the lease of 450 Yonge Street, Toronto, ON.
22. *TS233* with respect with respect to the lease of Unit 4, 305 North Front, Bellville, ON.
23. *TS240* with respect to the lease of 969-1007 Fennel Avenue, Hamilton, ON

**SCHEDULE 1.1(yyy)****RETAINED CONTRACTS**

1. TS Investments Grid Note
2. BMO Post-Closing Loan Documents.
3. Bell Mobility Services Agreement between 2733182 Ontario Inc. and Bell Mobility Inc. dated January 10, 2024.
4. Agreement(s) with Rogers.
5. Various Business Order Forms between 2733182 Ontario Inc. and TekSavvy Solutions Inc.
6. Various Business TekTalk Order Forms between 2733182 Ontario Inc. and TekSavvy Solutions Inc.
7. Provision of Telecommunication Services Agreement between 2733182 Ontario Inc. and Cogeco Connexion Inc. dated July 9, 2024.
8. Master Services Agreement between 2161907 Alberta Ltd. And ThinkTel, a division of Bell Canada dated July 5, 2023.
9. Agreement(s) with Westman Communications.
10. Agreement(s) with tbaytel.
11. Assumption of Responsibilities Form between East Coast Tweed Inc. and Eastlink Business Solutions dated June 15, 2023.
12. Authorization for Change of Ownership between 14284585 Canada Inc. and Access Communications dated June 15, 2023.
13. Agreement(s) with Securitas.
14. Various Commercial Security System Agreements between 2733182 Ontario Inc. and Sonitrol Independent Franchised Dealer.
15. Monitoring Contract between OEG Retail Canada (J Supply Co) and Apex Monitoring Division dated October 25, 2023.
16. Monitoring Agreement with Liberty Security Systems Inc. dated November 20, 2022.
17. Agreement between Tokyo Smoke 450 Yonge and Solink Corporation dated January 16, 2023.
18. Agreement between Tokyo Smoke Fennell and Solink Corporation dated March 23, 2023.

19. Agreement between Tokyo Smoke Wellington and Solink Corporation dated March 3, 2023.
20. Agreement between Tokyo Smoke 2733182 Ontario Inc. and Solink Corporation dated September 23, 2023.
21. Alarm Services Agreement between 2699078 Ontario Inc. and a.p.i. Alarm Inc. dated August 1, 2023.
22. Alarm Monitoring Service Agreements with AIM Security Systems Inc.
23. Various Merchant Application and Agreements between 2733182 Ontario Inc. and Peoples Trust and PayFacto Payments Inc.
24. Software Subscription Agreement between 2161907 Alberta Ltd. and Retail Innovation Labs, LLC (Cova) dated April 4, 2022.
25. Dutchie Dispensary Agreements between 2161907 Alberta Ltd. and Dutchie Inc.
26. Compusafe Service Agreement between 14284585 Canada Inc. and Brink's Canada Limited dated January 31, 2023.
27. Compusafe Service Agreement between 10006215 Manitoba Ltd. and Brink's Canada Limited dated January 31, 2023.
28. Compusafe Service Agreement between East Coast Tweed Inc. and Brink's Canada Limited dated January 31, 2023.
29. Facility Services Rental Service Agreement between Tokyo Smoke and Cintas dated September 2, 2020.
30. Agreement(s) with Overland Waste & Recycling.
31. Service Agreement between Tokyo Smoke and Waste Management of Canada Corporation dated January 12, 2024.
32. Alpine IQ Service Order between 2733182 Ontario Inc. and Alpine IQ Inc. dated May 13, 2024.
33. Native App Service Order between 2733182 Ontario Inc. and Alpine IQ Inc. dated May 13, 2024.
34. Agreement with Budvue Digital Signage dated November 2023 with respect to 701 Memorial Avenue, Thunder Bay.
35. Agreement with Budvue Digital Signage dated November 2023 with respect to 540 Arthur Street West, Thunder Bay.
36. Consulting and Advisory Contract between 2161907 Alberta Ltd. and Flower Shop Projects Inc. dated January 24, 2024.



37. Consulting and Advisory Contract between J Supply Co. and Flower Shop Projects Inc. dated January 26, 2023, assigned pursuant to the Assignment of Agreement and Consent dated October 3, 2023 among J Supply, 2708540 Ontario Corporation, and Flower Shop Projects Inc.
38. Agreement between 2161907 Alberta Ltd. and Prophix Software Inc. effective March 24, 2023.
39. Franchise Agreement between 2733181 Ontario Inc. and 2830158 Ontario Inc. effective May 16, 2021 with respect to 216 Goderich Street, Unit 3, Port Elgin.
40. Franchise Agreement between 2733181 Ontario Inc. and M K Patel Inc. effective September 14, 2023. with respect to 1060 Pembina HWY, Winnipeg.
41. Franchise Agreement between 2733181 Ontario Inc. and 11912852 Canada Inc. effective July 24, 2020 with respect to 164 Evans Avenue, Unit 1, Etobicoke.
42. Franchise Agreement between 2733181 Ontario Inc. and 12143003 Canada Inc. effective July 31, 2020 with respect to 1240 Commissioners Road East, London.
43. Franchise Agreement between 2733181 Ontario Inc. Roisa7779 Inc. effective December 21, 2022 with respect to 2375 Brimley Road, Scarborough.
44. Franchise Agreement between 2733181 Ontario Inc. and Buds Brotherz Inc. effective January 12, 2021 with respect to 645 Commissioners Road East, London.
45. Franchise Agreement between 2733181 Ontario Inc. and Saha Ventures Inc. effective August 16, 2023 with respect to 94 Bridgeport Road East, Waterloo.
46. Franchise Agreement between 2733181 Ontario Inc. and Tayco Ltd. Effective March 15, 2021 with respect to 2790 Princess Street, Kingston.
47. Franchise Agreement between 2733181 Ontario Inc. and 2758453 Ontario Inc. effective November 2, 2022 with respect to 890 Main Street East, Unit 8, Milton.
48. Franchise Agreement between 2733181 Ontario Inc. and 2812768 Ontario Inc. effective March 10, 2021 with respect to 1011 Princess Street, Kingston
49. Franchise Agreement between 2733181 Ontario Inc. and 2831307 Ontario Inc. effective May 12, 2021 with respect to 4517 Dundas Street, Unit B5, Burlington.
50. Franchise Agreement between 2733181 Ontario Inc. and 2798600 Ontario Ltd. effective March 6, 2021 with respect to 555 Essa Road, Barrie.
51. Franchise Agreement between 2733181 Ontario Inc. and 2758453 Ontario Inc. effective August 22, 2021 with respect to 11795 Bramalea Road, Brampton.
52. Franchise Agreement between 2733181 Ontario Inc. and 2758453 Ontario Inc. effective January 8, 2023 with respect to 14800 Yonge Street, Aurora.

53. Franchise Agreement between 2733181 Ontario Inc. and 14961706 Canada Inc. effective April 29, 2024 with respect to 420 Main Street, Cambridge.
54. Franchise Agreement between 2733181 Ontario Inc. and 1000723664 Ontario Inc. effective May 7, 2024 with respect to 75 Pinebush Road, Cambridge.
55. Franchise Agreement between 2733181 Ontario Inc. and 2779562 Ontario Inc. effective March 30, 2021 with respect to 5758 Main Street, Stouffville.
56. Franchise Agreement between 2733181 Ontario Inc. and 2743849 Ontario Inc. effective May 19, 2020 with respect to 300 Earl Grey Drive, Kanata.
57. Franchise Agreement between 2733181 Ontario Inc. and 2824718 Ontario Limited effective November 17, 2021.
58. Franchise Agreement between 2733181 Ontario Inc. and 2779562 Ontario Inc. effective March 30, 2021, as amended.

## SCHEDULE 1.1(aaaa)

### RETAINED LEASES

#### A. Office Lease

- i. Lease dated September 24, 2024, between Estate of Arthur Caplan (c/o Greenwin Corp.), as landlord and TS Programs Ltd., as tenant for Suite 301, Suite 301, 14 Duncan Street, Toronto, ON.

#### B. Storage Space Lease(s)

- i. Lease dated August 30, 2024, between Koschir and Stark Limited, as landlord and TS Programs Ltd., as tenant for storage located on the first floor of #16, 1254 Plains Road, Burlington, ON.

#### C. Corporate Store Material Leased Properties:

##### 1. *TS201*

- i. Lease dated July 16, 2020, among Riotrin Properties (Barrhaven) Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit J009, 80 Marketplace Avenue, Ottawa, ON.
- ii. Sublease dated June 1, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

##### 2. *TS202*

- i. Lease dated July 1, 2020, between The Eglinton Town Centre Inc., as landlord, and 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit B5, 8 Lebovic Avenue, Toronto, ON.
- ii. Sublease dated June 1, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

##### 3. *TS204*

- i. Lease dated March 1, 2021, between Dines Plaza Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 7, 400 King Street, Oshawa.
- ii. Sublease dated October 16, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

##### 4. *TS205*

- i. Lease dated October 7, 2019, between 2708540 Ontario Corporation and Kenny Alwyn Whent Inc., with respect to the lease of 1082 Memorial Avenue, Thunder Bay, ON.

##### 5. *TS206*

- i. Lease dated February 18, 2019, between JFK Holdings Inc., as landlord, Christopher Comrie, as tenant, and VQTCO Ltd., CJ Marketing Inc., Jonathan Alan Conquergood and Vu Quang Tran, as indemnifiers, with respect to the lease of Unit 6B, 666 Wonderland Road North, London, ON, as assigned by tenant to 2699078 Ontario Inc., pursuant to a Lease Assignment and Assumption Agreement dated June 7, 2019.

##### 6. *TS207*

- i. Lease dated February 14, 2020, between Rondun Corp., as landlord, and 2737503 Ontario Inc., as tenant, with respect to the lease of 979 Bloor Street West, Toronto, ON.

- ii. Sublease dated July 1, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**7. TS209**

- i. Lease dated October 19, 2020, between 94 Cumberland St Retail Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 2, 94 Cumberland Street, Toronto, ON.
- ii. Sublease dated March 29, 2021, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**8. TS211**

- i. Lease dated 2020 (lease signed September 9, 2020) between Scotts Real Estate Limited Partnership, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 5, 572 Arthur Street West, Thunder Bay, ON.
- ii. Sublease dated November 1, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**9. TS212**

- i. Lease dated July 1, 2020, among Waterloo Commons JV Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier with respect to the lease of Unit 665-500, 655 Erb Street West, Waterloo, ON.
- ii. Sublease dated October 23, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**10. TS214**

- i. Lease agreement dated August 28, 2019, between Lorne Fine and Chrome Real Estate LP, subsequently assigned to 2742591 Ontario Inc. per Lease Assignment Agreement dated June 19, 2020, between Lorne Fine and 2742591 Ontario Inc.

**11. TS216**

- i. Lease dated April 30, 2020, between Stephen Cochrane, as landlord, TS Wellington Inc., as tenant, with respect to the lease of Unit 101 at 1000 Wellington Street, Ottawa, ON.
- ii. Lease Amending Agreement dated May 11, 2021 among 1000 Wellington Holdings Ltd. as landlord, Steven Cochrane as tenant and TS Wellington Inc. as sub-tenant.

**12. TS218**

- i. Lease dated October 29, 2019, between EmTwo Properties Inc., as landlord, and 2737503 Ontario Inc., as tenant, and 2161807 Alberta Ltd., as indemnifier, as assigned by agreement dated July 27, 2021, with respect to the lease of 2257 Rymal Rd., Stoney Creek, ON.

**13. TS220**

- i. Lease dated December 3, 2020, between Calloway Reit (Orleans) Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit G1, 2006 Mer Bleue Road, Orleans, ON
- ii. Sublease dated March 26, 2021, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**14. TS222**

- i. Lease dated March 26, 2021, between GWL, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit BB03, 361 Mountainview Road, Georgetown, ON.
- ii. Sublease dated April 21, 2021, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**15. TS228**

- i. Lease dated March 26, 2021, between 450 Yonge Holdings Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 450 Yonge Street, Toronto, ON.
- ii. Sublease dated July 9, 2021, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**16. TS233**

- i. Lease dated September 15, 2021, between Westdale Properties, Urbanfund Corp., as landlord, and, 2737503 Ontario Inc., as tenant, with respect to the lease of Unit 4, 305 North Front, Bellville, ON. Amended by way of addendum to lease dated November 1, 2024.
- ii. Sublease dated February 7, 2022, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**17. TS240**

- i. Lease dated October 21, 2021 between Kilbarry Holding Corporation, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 969-1007 Fennel Avenue, Hamilton, ON.

**18. JS201**

- i. Lease dated July 30, 2020, between Tom Jones & Sons Limited, as landlord, 2708540 Ontario Corporation, as tenant via Assignment Agreement of September 7, 2023, with respect to the lease of Suite 201, 540 Arthur Street W, Thunder Bay, ON. Amended by way of addendum to lease dated October 8, 2024.

**19. JS202**

- i. Lease dated February 26, 2020, between 1013960 Ontario Limited, as landlord, 27008540 Ontario Corporation, as tenant via Assignment Agreement of September 7, 2023, with respect to the lease of Unit 2, Unit 2, 701 Memorial Ave, Thunder Bay, ON. Amended by way of addendum to lease dated October 8, 2024.

**20. RM100**

- i. Lease dated November 23, 2022, between Wilcan Holdings Ltd., as landlord, 14284585 Canada Inc., as tenant, with respect to the lease of 1450 Main St. S., Unit D011, Dauphin, MB. Amended by way of addendum to lease dated November 1, 2024.

**21. RM101**

- i. Lease dated August 20, 2018, between Skyward Holdings Ltd. as assigned to 6399020 Manitoba Ltd., as landlord, and 14284585 Canada Inc., as tenant by assignment agreement dated November 23<sup>rd</sup>, 2022, with respect to the premises located at 2705 Victoria Avenue, Brandon, MB

**22. RM102**

- i. Lease dated October 17, 2018, between 73409 Manitoba Limited, as landlord, 14284585 Canada Inc., as tenant, by assignment agreement dated November

23<sup>rd</sup>, 2022, with respect to the lease of 309 Saskatchewan Ave. E., Portage La Prairie, MB.

**23. RM104**

- i. Lease dated July 24, 2018, between Pensionfund Realty Limited, as landlord, 14284585 Canada Inc., as tenant, by assignment agreement dated November 23<sup>rd</sup>, 2022, with respect to the lease of 1592 Regent Ave. W., Unit 2, Winnipeg, MB.

**24. RM200**

- i. Lease dated August 27, 2018, between Beth Arlene Curtis and Michael Benjamin John Worthington, as landlord, 10006215 Manitoba Ltd., as tenant, and 2161907 Albert Ltd., as indemnifier, with respect to the lease of 628 18<sup>th</sup> Street, Brandon, MB.

**25. RM201**

- i. Lease dated July 24, 2019, between 3829708 Manitoba Limited, as landlord, 10006215 Manitoba Ltd., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 915 18<sup>th</sup> Street, Brandon, MB.

**26. RM202**

- i. Lease dated February 18, 2020, between 3762603 Manitoba Ltd. and JV Properties Ltd., collectively as landlord, 10006215 Manitoba Ltd., as tenant, with respect to the lease of 195 La Verendrye Blvd., Unit A, Morden, MB.

**27. RM203**

- i. Lease dated May 17, 2021, between 54 Arthur Street Inc. and 70 Arthur Street Inc., collectively as landlord, 10006215 Manitoba Ltd., as tenant, with respect to the lease of 54-70 Arthur Street., Unit 101, B004 & B005, Winnipeg, MB.

**28. RM205**

- i. Lease dated March 28, 2018, between Royal Canadian Properties Limited, as landlord, 10006215 Manitoba Ltd., as tenant, with respect to the lease of 55B Goulet Street, Winnipeg, MB. Amended by way of addendum to lease dated October 1, 2024.

**29. RM206**

- i. Lease dated May 9, 2019, between LS Properties (Crestview Shopping Centre) Inc., as landlord, 10006215 Manitoba Ltd., as tenant, with respect to the lease of 3393 Portage Avenue, Unit 150, Winnipeg, MB.

**30. RS100**

- i. Lease dated September 24, 2018, between Schwab Holdings Ltd., as landlord, 14284585 Canada Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, via Assignment Agreement of November 23, 2022, with respect to the lease of 101 Centre Street, Meadow Lake, SK. Amended by way of addendum to lease dated November 1, 2024.

**31. RS101**

- i. Lease dated September 17, 2018, between Rochdale Crossing Inc., as landlord, 14284585 Canada Inc., as tenant, via Assignment Agreement of November 16, 2022 with respect to the lease of 1919A – 8<sup>th</sup> Avenue, Unit R20, Humboldt, SK. Amended by way of addendum to lease dated November 11, 2024.

**32. RS103**

- i. Lease dated January 1, 2019, between Bison Properties Limited, as landlord, 14284585 Canada Inc., as tenant, via Assignment Agreement of November 16, 2022, with respect to the lease of 3735 East Quance, Unit B, Regina, SK.

**33. RS104**

- i. Lease dated November 23, 2018, between Rway Video Corp., as landlord, 14284585 Canada Inc., as tenant, via Assignment Agreement of November 23, 2022, with respect to the lease of 241 Broadway St. East, Fort Qu'Appelle, SK.

**34. RS106**

- i. Lease dated November 16, 2022, between First Aberdeen Properties Ltd., as landlord, 14284585 Canada Inc., as tenant, with respect to the lease of 290 Prince William Dr., Melville, SK.

**35. RN100**

- i. Lease dated July 12, 2018, between Cabot Holdings Limited, as landlord, 80694 Newfoundland and Labrador Inc., as tenant, via Assignment Agreement of August 27, 2020, with respect to the lease of 50-60 Commonwealth Ave., Unit 5, Mount Pearl, NL.

**36. RN101**

- i. Lease dated August 5, 2020, between Topsail Shipping Company Limited, as landlord, 80694 Newfoundland and Labrador Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 81 Conception Bay Highway S, Unit 3, Conception Bay, NL.

**37. RN102**

- i. Lease dated August 10, 2018, between Goose Real Estate Limited, as landlord, 80694 Newfoundland and Labrador Inc., as tenant, via Assignment Agreement of August 5, 2020, with respect to the lease of 27 Aspen Road, Happy Valley-Goose Bay, NL.

**Franchise Store Material Leased Properties:****1. TS102**

- i. Agreement to Lease dated May 10, 2021, among 1195117 Ontario Limited, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit A18, 300 Earl Grey Drive, Kanata, ON.
- ii. Sublease dated May 22, 2020, between 2737503 Ontario Inc., as sublandlord, and 2734849 Ontario Inc., as subtenant.

**2. TS103**

- i. Offer to Lease dated February 28, 2020 among, First Capital Holdings (Ontario) Corporation and Desjardins Financial Security Life Assurance Company, as landlord, and 2737503 Ontario Inc., as tenant, with respect to the lease of 631-645 Commissioners Road East, London, ON.
- ii. Sublease dated January 12, 2021, between 2737503 Ontario Inc., as sublandlord, and Budz Brotherz Inc., as subtenant.

**3. TS113**

- i. Offer to Lease dated February 28, 2020 among First Capital (Byron Village) Corporation and Desjardins Financial Security Life Assurance Company, as landlord, and 2737503 Ontario Inc., as tenant, with respect to the lease of Unit A01111A, 1240-1260 Commissioners Road West, London, ON.
- ii. Sublease dated September 29, 2020, between 2737503 Ontario Inc., as sublandlord, and 12143003 Canada Inc., as subtenant.

**4. TS119**



- i. Lease dated August 27, 2021 between Port Elgin Properties Inc., as landlord, and, 2737503 Ontario Inc., as tenant, with respect to the lease of Unit 3, 216 Goderich Street, Port Elgin, ON.
- ii. Sublease dated June 6, 2021, between 2737503 Ontario Inc., as sublandlord, and 2830158 Ontario Inc., as subtenant.

**5. TS120**

- i. Lease dated January 15, 2021 between 2280166 Ontario Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 5758 Main Street, Stouffville, ON.
- ii. Sublease dated March 30, 2021, between 2737503 Ontario Inc., as sublandlord, and 2779562 Ontario Inc., as subtenant.

**6. TS121**

- i. Agreement to lease dated November 18, 2020 between First Capital (Bridgeport) Corporation, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 135, 70 Bridgeport Road East, Waterloo, ON.
- ii. Sublease dated December 9, 2020, between 2737503 Ontario Inc., as sublandlord, and 2791137 Ontario Inc., as subtenant.

**7. TS130**

- i. Agreement to lease dated January 17, 2022, between First Capital (Chartwell) Corporation & First Capital Holdings (Ontario) Corporation, landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 6, 2369 Brimley Road, Scarborough, ON.
- ii. Sublease dated February 12, 2021, between 2737503 Ontario Inc., as sublandlord, and 10997480 Canada Ltd., as subtenant.

**8. TS139**

- i. Lease dated March 15, 2021 between 1138130 Ontario Limited, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 1011 Princess Street, Kingston, ON.
- ii. Sublease dated March 10, 2021, between 2737503 Ontario Inc., as sublandlord, and 2812768 Ontario Inc., as subtenant.

**9. TS140**

- i. Lease dated December 30, 2020 between Craigmore Construction Limited, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 12277 Tenth Line, Stouffville, ON.
- ii. Sublease dated March 30, 2021, between 2737503 Ontario Inc., as sublandlord, and 2779562 Ontario Inc., as subtenant.

**10. TS143**

- i. Lease dated January 26, 2021 between The Canada Life Assurance Company, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 890 Main Street, Milton, ON.
- ii. Sublease dated March 26, 2021, between 2737503 Ontario Inc., as sublandlord, and TYO Milton Inc., as subtenant, as amended October 5, 2022.

**TS147**

- i. Lease dated March 26, 2021, between Calloway Reit (Burlington) Inc. (SmartCentres), as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 3, 4515 Dundas Street, Burlington, ON.



- ii. Sublease dated May 12, 2021, between 2737503 Ontario Inc., as sublandlord, and 2831307 Ontario Inc., as subtenant.

**11. TS149**

- i. Lease dated March 30, 2021 between Calloway Reit (Barrie II) Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit A002, 555 Essa Road, Barrie, ON.
- ii. Sublease dated May 6, 2021, between 2737503 Ontario Inc., as sublandlord, and 2798600 Ontario Ltd., as subtenant.

**12. TS156**

- i. Lease dated May 7, 2021 between Brampton (Northeast) Shopping Centres Limited, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 11795 Bramalea Road, Brampton, ON.
- ii. Sublease dated August 22, 2021, between 2737503 Ontario Inc., as sublandlord, and 2758453 Ontario Inc., as subtenant.

**13. TS158**

- i. Lease dated October 1, 2021 between Fiera Real Estate Core Fund LP, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 14800 Yonge Street, Aurora, ON.
- ii. Sublease dated January 8, 2023, between 2737503 Ontario Inc., as sublandlord, and 2758453 Ontario Inc., as subtenant, as amended January 8, 2023.

**14. TS164**

- i. Lease dated October 1, 2021 between Fiera Real Estate Core Fund LP, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 34.5, 80 Dundas Street East, Waterdown, ON.
- ii. Sublease dated November 17, 2021, between 2737503 Ontario Inc., as sublandlord, and 2824718 Ontario Limited, as subtenant.

**15. TS172**

- i. Lease dated March 31, 2021 between Canadian Tire Corporation, Limited., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 105, 420 Main St., Cambridge, ON.
- ii. Sublease dated January 17, 2022, between 2737503 Ontario Inc., as sublandlord, and 1000032072 Ontario Inc., as subtenant, as amended April 29, 2024.

**SCHEDULE 2.2**  
**EXCLUDED ASSETS**

Nil.

**SCHEDULE 2.4****RETAINED LIABILITIES**

Any existing related party debt obligations, other than guarantee fees owed by the Company to DAK Capital Inc. in respect of DAK Capital provision of guarantees of certain amounts owing to BMO and Canopy Growth Corporation (or affiliates of BMO and Canopy Growth Corporation).

## SCHEDULE 11.2

### CLOSING SEQUENCE

- (a) First, the Purchaser shall pay the Cash Consideration to the Monitor, to be held in escrow by the Monitor on behalf of the Purchaser and the Purchaser shall release the Credit Bid Release to the Applicants and the Monitor, to be held in escrow by the Monitor on behalf of the Purchaser;
- (b) Second, all of the Applicants' right, title and interest in and to the Excluded Assets and Excluded Liabilities shall vest absolutely and exclusively in, ResidualCo, , and all of the Applicants' respective assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate, including property held in trust for the Applicants (the "Applicants' Property"), shall be forever released and discharged from such Excluded Assets and Excluded Liabilities and all related Claims and all Encumbrances (other than Permitted Encumbrances) affecting or relating to the Applicants' Property are to be expunged and discharged as against the Applicants' Property, all pursuant to the Approval and Reverse Vesting Order;
- (c) Third, 2197130 Alberta Ltd. shall file Articles of Continuance to continue the corporation as an Ontario incorporated company ("**New Ontario Co**");
- (d) Fourth, the Company shall transfer all of the issued and outstanding shares held by it in 2826475 Ontario Inc. to 2733182 Ontario Inc. in exchange for 100 common shares of 2733182 Ontario Inc. such that 2826475 Ontario Inc. shall become a wholly owned subsidiary of 2733182 Ontario Inc.;
- (e) Fifth, 14284585 Canada Inc. shall transfer all of the issued and outstanding shares held by it in each of 10006215 Manitoba Ltd. and 80694 Newfoundland & Labrador Inc. to 267 Ontario such that 10006215 Manitoba Ltd and 80694 Newfoundland & Labrador Inc. shall become wholly owned subsidiaries of the Company;
- (f) Sixth, 2733182 Ontario Inc. and its wholly owned subsidiaries - 2826475 Ontario Inc., New Ontario Co (formerly 2197130 Alberta Ltd.), 2699078 Ontario Inc., 2708540 Ontario Corporation, 2734082 Ontario Inc., TS Wellington Inc., 2742591 Ontario Inc., 2796279 Ontario Inc. - shall amalgamate to form one entity ("**Amalco 1**") and the constating documents of Amalco 1, including without limitation, the Articles of Amalgamation and by-laws of Amalco 1 shall remain in effect after the date hereof;
- (g) Seventh, 2161907 Alberta Ltd. shall have filed Articles of Continuance to continue the corporation as an Ontario incorporated company ("**New Ontario Co 2**");
- (h) Eighth, the Company and its wholly owned subsidiary – New Ontario Co 2 (formerly, 2161907 Alberta Ltd.) – will amalgamate to form one entity ("**Amalco 2**");
- (i) Ninth, the following shall occur concurrently in consideration for the Purchase Price:

- (i) Amalco 2 shall issue the Purchased Shares to the Purchaser , and all of the right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of any and all Claims and Encumbrances;
  - (ii) the Cash Consideration and the Credit Bid Release will be released from escrow;
  - (iii) the outstanding indebtedness under the DIP Term Sheet shall be retained as indebtedness of the Purchased Entities and evidenced under the TS Investments Grid Note;
  - (iv) the Monitor shall retain the Administrative Expense Amount in a separate interest-bearing account from the Cash Consideration; and
  - (v) the Monitor shall release the remaining amount of the Cash Consideration to the Company and the Company shall pay the Cure Costs and the Priority Payment Amounts to the applicable payees thereof;
- (j) Tenth, the Articles of Reorganization in respect of Amalco 2 will be filed or deemed to be filed if determined necessary by the Purchaser. If no Articles of Reorganization are filed, then constating documents of Amalco 2, including without limitation, the Articles of Amalgamation and by-laws of Amalco 2 shall remain in effect after the date hereof; and
- (k) Eleventh, all of the Existing Shares of Amalco 2 outstanding prior to the issuance of the Purchased Shares, as well as all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person which are convertible or exchangeable for any securities of Amalco 2 or which require the issuance, sale or transfer by Amalco 2, of any shares or other securities of the Applicants and/or the share capital of Amalco 2, or otherwise relating thereto, shall be deemed terminated and cancelled without consideration and the only equity interests of Amalco 2 that shall remain issued and outstanding after the date hereof shall be the Purchased Shares.

THIS IS **EXHIBIT "B"** REFERRED TO IN THE  
AFFIDAVIT OF ANDREW WILLIAMS SWORN REMOTELY BY ANDREW WILLIAMS STATED  
AS BEING LOCATED IN THE CITY OF TORONTO BEFORE ME AT THE CITY OF  
TORONTO, IN THE PROVINCE OF ONTARIO, THIS 26TH DAY OF NOVEMBER 2024, IN  
ACCORDANCE WITH O. REG 431/20, *ADMINISTERING OATH OR DECLARATION*  
*REMOTELY*



-----  
A COMMISSIONER FOR TAKING AFFIDAVITS  
JESSICA WUTHMANN  
LSO# 72442W

AMENDED & RESTATED STALKING HORSE SUBSCRIPTION AGREEMENT

2675970 ONTARIO INC.,

AS THE COMPANY

-AND-

TS INVESTMENTS CORP.,

AS PURCHASER

## TABLE OF CONTENTS

	Page
Article 1 INTERPRETATION.....	- 1 -
1.1 Definitions.....	- 1 -
1.2 Statutes.....	- 11 -
1.3 Headings, Table of Contents, etc.....	- 11 -
1.4 Gender and Number.....	- 11 -
1.5 Currency.....	- <del>12</del> 11 -
1.6 Certain Phrases.....	- <del>12</del> 11 -
1.7 Invalidity of Provisions.....	- 12 -
1.8 Entire Agreement; <u>Amended &amp; Restated</u> .....	- 12 -
1.9 Waiver, Amendment.....	- 12 -
1.10 Governing Law; Jurisdiction and Venue.....	- <del>13</del> 12 -
1.11 Incorporation of Schedules and Exhibits.....	- 13 -
1.12 Accounting Terms.....	- 13 -
1.13 Non-Business Days.....	- 13 -
1.14 Computation of Time Periods.....	- 13 -
Article 2 SUBSCRIPTION AND ASSET PURCHASE.....	- 13 -
2.1 Agreement to Subscribe for and Issue Purchased Shares.....	- 13 -
2.2 Excluded Assets.....	- 14 -
2.3 Retained Assets.....	- 14 -
2.4 Retained Liabilities.....	- <del>15</del> 14 -
2.5 Excluded Liabilities.....	- 15 -
2.6 Transfer of Excluded Liabilities to Residual Co.....	- 16 -
2.7 Right to Exclude Assets and Liabilities.....	- 16 -
2.8 Right to Add Assets and Liabilities <sup>+</sup> .....	- 16 -
2.9 Transfer of Excluded Assets to Residual Co.....	- 16 -
2.10 Pre-Closing Reorganization.....	- <del>17</del> 16 -
Article 3 PURCHASE PRICE AND RELATED MATTERS.....	- 17 -
3.1 Purchase Price.....	- 17 -
3.2 Satisfaction of Purchase Price.....	- 18 -
Article 4 REPRESENTATIONS AND WARRANTIES OF THE COMPANY.....	- <del>19</del> 18 -
4.1 Due Authorization and Enforceability of Obligations.....	- 19 -
4.2 Existence and Good Standing.....	- 19 -
4.3 Absence of Conflicts.....	- 19 -
4.4 Approvals and Consents.....	- 19 -
4.5 No Actions.....	- 19 -
Article 5 REPRESENTATIONS AND WARRANTIES OF PURCHASER.....	- 20 -
5.1 Due Authorization and Enforceability of Obligations.....	- 20 -
5.2 Existence and Good Standing.....	- 20 -
5.3 Absence of Conflicts.....	- 20 -



## TABLE OF CONTENTS (CONTINUED)

	Page
5.4 Approvals and Consents.....	- 20 -
5.5 No Actions.....	- <del>21</del> <u>20</u> -
5.6 Credit Bid and Cash Consideration; Availability of Funds.....	- 21 -
5.7 Residence.....	- 21 -
Article 6 AS IS, WHERE IS.....	- 21 -
Article 7 CONDITIONS.....	- 22 -
7.1 Conditions for the Benefit of the Purchaser and Company.....	- 22 -
7.2 Conditions for the Benefit of the Purchaser.....	- <del>23</del> <u>22</u> -
7.3 Conditions for the Benefit of the Company.....	- 24 -
Article 8 ADDITIONAL AGREEMENTS OF THE PARTIES.....	- 24 -
8.1 Break-Up Fee.....	- 24 -
8.2 Access to Information and Properties.....	- 25 -
8.3 Regulatory Approvals and Consents.....	- 26 -
8.4 Covenants Relating to this Agreement.....	- 27 -
8.5 Administrative Expense Amount.....	- 29 -
Article 9 INSOLVENCY PROVISIONS.....	- 29 -
9.1 Court Orders and Related Matters.....	- 29 -
Article 10 TERMINATION.....	- 30 -
10.1 Termination.....	- 30 -
10.2 Effect of Termination.....	- <del>32</del> <u>31</u> -
Article 11 CLOSING.....	- 32 -
11.1 Location and Time of the Closing.....	- 32 -
11.2 Closing Sequence.....	- 32 -
11.3 Company's Deliveries at Closing.....	- 32 -
11.4 Purchaser's Deliveries at Closing.....	- 33 -
11.5 Monitor.....	- 33 -
11.6 Simultaneous Transactions.....	- 33 -
11.7 Further Assurances.....	- 33 -
Article 12 GENERAL MATTERS.....	- 34 -
12.1 Confidentiality.....	- 34 -
12.2 Public Notices.....	- 34 -
12.3 Injunctive Relief.....	- 35 -
12.4 Survival.....	- 35 -
12.5 Non-Recourse.....	- <del>35</del> <u>36</u> -
12.6 Assignment; Binding Effect.....	- 36 -
12.7 Notices.....	- 36 -
12.8 Counterparts; Electronic Signatures.....	- 38 -

THIS AMENDED & RESTATED STALKING HORSE SUBSCRIPTION AGREEMENT is made as of ~~September 12~~November, 2024

**BETWEEN:**

**2675970 ONTARIO INC.**, a corporation existing under the laws of the Province of Ontario (the “**Company**”)

-and-

**TS INVESTMENTS CORP.** a corporation existing under the laws of the Province of Ontario (“**Purchaser**”)

**RECITALS:**

- A. The Company, through certain of its wholly-owned subsidiaries, owns, operates, and franchises dispensaries in Canada selling cannabis products and accessories directly to consumers under the name “Tokyo Smoke” and maintains an online platform for direct-to-consumer cannabis sales and deliveries.
- B. On August 28, 2024, the Applicants (as hereinafter defined) commenced proceedings under the CCAA (as hereinafter defined) before the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”) to, among other things, seek creditor protection for, and certain relief in respect of, the Applicants (as hereinafter defined).
- C. The Applicants plan to obtain a sales process approval order (the “**SISP Order**”) from the CCAA Court approving, among other things, the SISP (as hereinafter defined).
- D. On September 12, 2024, the Company and Purchaser entered into a stalking horse subscription agreement (the “**Original Agreement**”) and the Company and Purchaser desire to amend and restate the Original Agreement as of the date hereof on the terms and conditions herein.
- E. ~~D.~~ Pursuant to the SISP, the Purchaser has been selected as the ~~stalking horse bidder~~Successful Bidder and as such, the Purchaser has agreed to subscribe for, and the Company has agreed to issue, the Purchased Shares on and pursuant to the terms set forth herein ~~if Purchaser becomes the Successful Bidder (as hereinafter defined) pursuant to the SISP.~~

**NOW THEREFORE**, the Parties agree as follows:

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Agreement,

- (a) **“Administration Charge”** has the meaning given to it in the Initial Order.
- (b) **“Administrative Expense Amount”** means cash in the amount to be agreed to between the Monitor and the Purchaser, acting reasonably, which shall be paid to the Monitor on the Closing Date and held by the Monitor, for the benefit of Persons entitled to be paid the Administrative Expense Costs, subject to the terms hereof.
- (c) **“Administrative Expense Costs”** means the reasonable and documented costs and expenses for services performed by the Monitor, Residual Co. and their respective legal counsel after the Closing Date in connection with the CCAA Proceedings, the administration of such proceedings to their conclusion and this Agreement, including any bankruptcy of the Residual Co. and services in respect of the administration of the Excluded Assets, Excluded Liabilities and Residual Co, to the extent such amount has not been pre-funded in accordance with the DIP Term Sheet prior to the Closing Date.
- (d) **“Affiliate”** means, with respect to any specified Person, any other Person which, directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise). For greater certainty, an Affiliate of a Person shall include such Person’s investment funds and managed accounts and any funds managed or directed by the same investment advisor.
- (e) **“Agreement”** means this stalking horse subscription agreement and all attachments and Exhibits, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this stalking horse subscription agreement and all attached Schedules and Exhibits, and unless otherwise indicated, references to Articles, Sections, Schedules and Exhibits are to Articles, Sections, Schedules and Exhibits in this stalking horse subscription agreement.
- (f) **“Applicable Law”** means any transnational, domestic or foreign, federal, provincial, territorial, state, local or municipal (or any subdivision of any of them) law (including common law and civil law), statute, ordinance, rule, regulation, restriction, limit, by-law (zoning or otherwise), judgment, order, direction or any consent, exemption, Transaction Regulatory Approval, or any other legal requirements of, or agreements with, any Governmental Authority, that applies in whole or in part to the transactions contemplated by this Agreement, the members of the Applicants, the Purchaser, the Business, or any of the Purchased Shares or the Retained Liabilities.
- (g) **“Applicants”** means, collectively, the Company, 2733181 Ontario Inc., 2385816 Alberta Ltd., 2161907 Alberta Ltd., 2733182 Ontario Inc., 2737503 Ontario Inc., 2826475 Ontario Inc., 14284585 Canada Inc., 2197130 Alberta Ltd., 2699078 Ontario Inc., 2708540 Ontario Corporation, 2734082 Ontario Inc., TS Wellington Inc., 2742591

Ontario Inc., 2796279 Ontario Inc., 10006215 Manitoba Ltd., and 80694 Newfoundland & Labrador Inc., and from and after the time Residual Co. becomes an applicant under the Initial Order, “**Applicants**” shall include Residual Co.

- (h) “**Approval and Reverse Vesting Order**” means an order of the CCAA Court in a form to be mutually agreed upon by the Purchaser and the Company, each acting reasonably.
- (i) “**Articles of Reorganization**” means, to the extent required, articles of reorganization in respect of ~~the Company’s~~ Amalco 2’s (as defined in Schedule 11.2) authorized and issued share capital immediately prior to completion of the Transactions to provide for a redemption right in favour of ~~the Company~~ Amalco 2 or such other provision acceptable to the Company and the Purchaser, acting reasonably, that would result in holders of Existing Shares ceasing to hold their Existing Shares at the time such articles are filed and effective in accordance with the Closing Sequence and receiving nil consideration, such articles of amendment to be in form and substance satisfactory to the Purchaser, acting reasonably.
- (j) “**BMO**” means the Bank of Montreal.
- (k) “**BMO Credit Agreement**” means the second amended and restated credit agreement dated October 7, 2022 between, *inter alia*, BMO, as administrative agent and lender, the Company, as borrower, and the guarantors party thereto, as amended, restated, supplemented or otherwise modified from time to time.
- (l) “**BMO Loan Documents**” means the “Loan Documents” as defined in the BMO Credit Agreement.
- (m) “**BMO Post-Closing Loan Documents**” means either: (A) the BMO Credit Agreement and the BMO Loan Documents, as reaffirmed, amended, restated, modified and/or amended and restated, as applicable, to be effective as of the Closing Date, all of which shall be in form and substance satisfactory to the Purchaser and BMO or (B) a credit agreement and applicable loan documentation to be entered into with BMO and the Purchased Entities to be effective on Closing which would refinance the indebtedness under, and replace, the BMO Credit Agreement, all of which shall be in form and substance satisfactory to the Purchaser and BMO.
- (n) “**Break-up Fee**” has the meaning given to such term in Section 8.1(a).
- (o) “**Business**” means the Company’s (through its subsidiaries): (a) ownership, operation, and franchise of dispensaries in Canada selling cannabis products and accessories directly to consumers under the name “Tokyo Smoke”, (b) online platform for direct-to-consumer cannabis sales and deliveries and (c) program, medical and banner lines of business.
- (p) “**Business Day**” means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto, Ontario are open for commercial banking business during normal banking hours.

- (q) **“Cash Consideration”** has the meaning given to such term in Section 3.1.
- (r) **“CCAA”** means the *Companies’ Creditors Arrangement Act* (Canada), as amended.
- (s) **“CCAA Charge Amount”** means cash in an amount sufficient to satisfy the amounts owing in respect of obligations secured by the CCAA Charges (unless such amounts will be satisfied from the Administration Expense Amount);
- (t) **“CCAA Charges”** means the Administration Charge, the Director’s Charge and the KERP Charge.
- (u) **“CCAA Court”** has the meaning given to such term in Recital B.
- (v) **“CCAA Proceedings”** means the proceedings commenced under the CCAA by the Applicants pursuant to the Initial Order.
- (w) **“Claims”** means any and all demands, claims, liabilities, actions, causes of action, counterclaims, expenses, costs, damages, losses, suits, debts, sums of money, refunds, accounts, indebtedness, rights of recovery, rights of set-off, rights of recoupment and liens of whatever nature (whether direct or indirect, absolute or contingent, asserted or unasserted, secured or unsecured, matured or not yet matured due or to become due, accrued or unaccrued or liquidated or unliquidated) and including all costs, fees and expenses relating thereto.
- (x) **“Closing”** means the completion of the Transactions in accordance with the provisions of this Agreement.
- (y) **“Closing Date”** means a date no later than five (5) Business Days after the conditions set forth in Article 7 have been satisfied or waived, other than the conditions set forth in Article 7 that by their terms are to be satisfied or waived at the Closing (or such other date agreed to by the Parties in writing); provided that, if there is to be a Closing hereunder, then the Closing Date shall be no later than the Outside Date.
- (z) **“Closing Documents”** means all contracts, agreements, certificates and instruments required by this Agreement to be delivered at or before the Closing.
- (aa) **“Closing Sequence”** means the sequence set out in Schedule 11.2, which may be updated from time to time in accordance with Section 11.2 until two (2) Business Days prior to the Closing Date.
- (bb) **“Closing Time”** means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.
- (cc) **“Company”** has the meaning given to it in the recitals hereto.
- ~~(dd) **“Credit Bid Consideration”** has the meaning given to such term in Section 3.1(d).~~

- (dd) ~~(ee)~~ “**Credit Bid ~~Releases~~ Release**” means a full and final release of all Applicants of their respective obligations in respect of the Secured Credit Bid Consideration, which shall be in form and substance satisfactory to the Applicants and the Monitor, each acting reasonably.
- (ee) ~~(ff)~~ “**Cure Costs**” means the amounts, if any, that are required to cure any monetary defaults of the Applicants under any Retained Contract, Retained Lease or Restructured Lease,.
- ~~(gg) “DIP Credit Bid Consideration” has the meaning given to such term in Section 3.1(a).~~
- (ff) ~~(hh)~~ “**DIP Facility**” means amounts available under the DIP Term Sheet.
- (gg) ~~(ii)~~ “**DIP Lender**” means TS Investments Corp., as lender thereunder.
- (hh) ~~(jj)~~ “**DIP Lender’s Charge**” has the meaning given to it in the Initial Order.
- (ii) ~~(kk)~~ “**DIP Term Sheet**” means interim financing term sheet dated August 27, 2024 between the Applicants, as borrowers, and the DIP Lender, pursuant to which the DIP Lender has agreed to advance to the Applicants the DIP Facility, as may be amended from time to time.
- (jj) ~~(H)~~ “**Directors’ Charge**” has the meaning given to it in the Initial Order.
- (kk) ~~(mm)~~ “**Employees**” means individuals employed or retained by the Purchased Entities, on a full-time, part-time or temporary basis, including any unionized employees and those employees on disability leave, parental leave or other absence.
- (ll) ~~(nn)~~ “**Encumbrance**” means any security interest (whether contractual, statutory or otherwise), lien, prior claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, trust (including any statutory, deemed or constructive trust), option or adverse claim or encumbrance of any nature or kind.
- (mm) ~~(oo)~~ “**Encumbrances to Be Discharged**” means all Encumbrances on the Retained Assets, including without limitation the Encumbrances listed in Schedule ~~1.1(oo)~~ 1.1(mm), as such Schedule may be amended, supplemented or restated by the Purchaser from time to time up to two (2) Business Days prior to the hearing of the motion for the Approval and Reverse Vesting Order (or such other date agreed to by the Purchaser and the Company), the CCAA Charges and any other charge granted by the Court in the CCAA Proceedings, excluding only the Permitted Encumbrances.
- (nn) ~~(pp)~~ “**Equity Interests**” means any capital share, capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) of a Person.

- (oo) ~~(qq)~~ “**Excluded Assets**” has the meaning given to such term in Section 2.3 including any assets that are added as Excluded Assets pursuant to Section 2.7.
- (pp) ~~(rr)~~ “**Excluded Contracts**” means contracts of the Purchased Entities which are not Retained Contracts, including any contracts that are added as Excluded Contracts pursuant to Section 2.7.
- (qq) ~~(ss)~~ “**Excluded Leases**” means all Leases in respect of the Leased Real Property which are not Retained Contracts of Restructured Leases, including those which have been or will be disclaimed by the Purchased Entities in the CCAA Proceedings.
- (rr) ~~(tt)~~ “**Excluded Liabilities**” has the meaning given to such term in Section 2.5 including any liabilities that are added as Excluded Liabilities pursuant to Section 2.7.
- (ss) ~~(uu)~~ “**Existing Shares**” means the existing common shares in the capital of the Company (including Amalco 2 as the context requires) and other Purchased Entities which are owned, directly or indirectly, by the Company.
- (tt) ~~(vv)~~ “**Filing Date**” means August 28, 2024.
- (uu) ~~(ww)~~ “**Final Order**” means with respect to any order or judgment of the CCAA Court, or any other court of competent jurisdiction, with respect to the subject matter addressed in the CCAA Proceedings or the docket of any court of competent jurisdiction, that such order or judgment has not been vacated, set aside, reversed, stayed, modified or amended, and as to which the applicable periods to appeal, or seek certiorari or move for a new trial, re-argument, or rehearing has expired and no appeal, leave to appeal, or petition for certiorari or other proceedings for a new trial, re-argument, or rehearing has been timely taken or filed, or as to which any appeal has been taken or any petition for certiorari or leave to appeal that has been timely filed has been withdrawn or resolved in a manner acceptable to the Company and the Purchaser, each acting reasonably, by the highest court to which the order or judgment was appealed or from which leave to appeal or certiorari was sought or the new trial, re-argument, or rehearing shall have been denied, resulted in no modification of such order or has otherwise been dismissed with prejudice.
- (vv) ~~(xx)~~ “**GAAP**” means generally accepted accounting principles as set out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.
- (ww) ~~(yy)~~ “**Gift Cards**” means the gift cards purchased by customers of the Purchased Entities which can be redeemed for merchandise in the applicable Stores, subject to the terms and conditions of the gift card program in effect as at the Filing Date.
- (xx) ~~(zz)~~ “**Governmental Authority**” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity having or purporting to have jurisdiction on



behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them, or exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

- (yy) ~~(aaa)~~ “**GST/HST**” means all goods and services tax and harmonized sales tax imposed under the ETA.
- (zz) ~~(bbb)~~ “**Initial Order**” means the Amended and Restated Initial Order dated September 6, 2024 granted by the CCAA Court pursuant to the CCAA, as may be further amended and restated from time to time.
- (aaa) ~~(eee)~~ “**Intercompany Liabilities**” means all Liabilities owing between or among the Purchased Entities and their subsidiaries or their affiliates (other than in connection with ~~any amounts outstanding under the TS Investments Grid Note and the DIP Term Sheet, which in each case~~ the Secured Credit Bid Consideration, which for greater certainty shall be released pursuant to the terms herein).
- (bbb) ~~(ddd)~~ “**KERP Charge**” has the meaning set forth in the Initial Order.
- (ccc) ~~(eee)~~ “**Leased Real Property**” means the Stores and offices of the Purchased Entities, together with any and all interests of the Purchased Entities in all plants, buildings, structures, fixtures, erections, improvements, easements, rights-of-way and other appurtenances situated on or forming part of those premises.
- (ddd) ~~(fff)~~ “**Leases**” means the leases or agreements in the nature of a lease or right of occupancy of real property to which any Purchased Entity is a party whether as lessor or lessee, in respect of or related to the Leased Real Property.
- (eee) ~~(ggg)~~ “**License**” or “**Licences**” means, collectively any and all permits, licences, authorizations, consents, concessions, exemptions, leases, grants, permits, rights, privileges, approvals or other evidence of authority from any Governmental Authority and related to the Business and that has been issued to, granted to, conferred upon, or otherwise created for, any Purchased Entity, relating to authorizations or otherwise to sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law.
- (fff) ~~(hhh)~~ “**Material Adverse Effect**” means any change, effect, event, occurrence, state of facts or development that has had a material adverse effect on: (i) the Business, assets, liabilities, financial conditions or results of operations of the Purchased Entities, taken as a whole; or (ii) prevents the ability of any of the Purchased Entities to perform their obligations under, or to consummate the transactions contemplated by, this Agreement, but excluding any such change, effect, event, occurrence, state of facts or development attributable to or arising from: (A) general economic or business conditions; (B) Canada, the U.S. or foreign economies, or financial, banking or securities markets in general, or other general business, banking, financial or economic conditions (including: (I) any disruption in any of the foregoing markets; (II) any change in the currency exchange rates; or (III) any decline or rise in the price of any security, commodity, contract or index); (C) acts of God or other calamities, pandemics (including worsening thereof),



national or international political or social conditions, including the engagement and/or escalation by the U.S. or Canada in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the U.S. or Canada or any of their territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the U.S. or Canada; (D) the identity of the Purchaser or its Affiliates; (E) conditions affecting generally the industry in which any of the Purchased Entities participate; (F) the public announcement of, entry into or pendency of, actions required or contemplated by or performance of obligations under, this Agreement or the transactions contemplated by this Agreement, or the identity of the Parties; (G) changes in Applicable Laws or the interpretation thereof; (H) any change in GAAP or other accounting requirements or principles; (I) national or international political, labor or social conditions; (J) the failure of the Purchased Entities to meet or achieve the results set forth in any internal projections (but not the underlying facts giving rise to such failure unless such facts are otherwise excluded pursuant to the clauses contained in this definition); or (K) any change resulting from compliance with the terms of, or any actions taken (or not taken) by any Party pursuant to or in accordance with, this Agreement; provided that the exceptions set forth in clauses (A), (B), (C), (E), (G), (H) or (I) shall not apply to the extent that such event is disproportionately adverse to the Purchased Entities, taken as a whole, as compared to other companies in the industries in which the Purchased Entities operate.

(ggg) ~~(iii)~~ **“Monitor”** means Alvarez & Marsal Canada Inc., as court-appointed monitor of the Applicants in the CCAA Proceedings, and not in its personal or corporate capacity.

(hhh) ~~(jjj)~~ **“Monitor’s Certificate”** means the certificate delivered to the Purchaser, and filed with the CCAA Court, by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor, in its sole discretion, from each of the Company and the Purchaser that all conditions to Closing have been satisfied or waived by the applicable Parties and the transactions contemplated by this Agreement have been completed.

(iii) ~~(kkk)~~ **“Order”** means any order of the Court made in the CCAA Proceedings, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

(jjj) **“Original Agreement”** has the meaning given to such term in the Recitals hereto.

(kkk) ~~(III)~~ **“Outside Date”** has the meaning given to such term in Section 10.1(c).

(III) ~~(mmm)~~ **“Parties”** means the Company and the Purchaser collectively, and **“Party”** means any one of them, as the context requires.

(mmm) ~~(nnn)~~ **“Permitted Encumbrances”** means the Encumbrances listed in Schedule ~~1.1(nnn)~~ 1.1(mmm).

(nnn) ~~(ooo)~~ **“Person”** includes an individual, partnership, firm, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, entity, corporation, unincorporated association, or organization, syndicate, committee, court

appointed representative, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality, or department of such government or political subdivision, or any other entity, howsoever designated or constituted, including any Taxing Authority, and the trustees, executors, administrators, or other legal representatives of an individual, and for greater certainty includes any Governmental Authority.

- (ooo) ~~(ppp)~~ **“Post-Filing Claims”** means any or all indebtedness, liability, or obligation of the members of the Applicants that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Closing Date in respect of services rendered or supplies provided to the Applicants during such period.
- (ppp) ~~(qqq)~~ **“Pre-Closing Reorganization”** has the meaning given to such term in Section 2.10(a).
- (qqq) ~~(rrr)~~ **“Priority Payment Amount”** means an amount equal to: (a) those priority payments prescribed under subsections 6(3), 6(5)(a) and 6(6) of the CCAA; (b) the CCAA Charge Amounts; and (c) any payments in respect of Leases that are required under the CCAA; and (d) any Claims ranking in priority to the security granted by the Purchased Entities to the Purchaser pursuant to the TS Investments GSA.
- (rrr) ~~(sss)~~ **“Purchase Price”** has the meaning given to such term in Section 3.1.
- (sss) ~~(ttt)~~ **“Purchased Entities”** means the Company and each other Applicant (other than any Applicants which are listed as an Excluded Asset), and **“Purchased Entity”** means any one of them.
- (ttt) ~~(uuu)~~ **“Purchased Shares”** has the meaning given to such term in Section 2.1(a).
- (uuu) ~~(vvv)~~ **“Purchaser”** has the meaning given to such term in the preamble to this Agreement.
- (vvv) ~~(www)~~ **“Residual Co.”** means a corporation to be incorporated by the Company in advance of Closing, to which the Excluded Assets, Excluded Contracts and Excluded Liabilities will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares.
- (www) ~~(xxx)~~ **“Restructured Leases”** means all Leases in respect of the Leased Real Property as of the Closing Date listed in Schedule ~~1.1(xxx)~~ 1.1(www) that the Purchased Entities and the applicable landlords have agreed to amend; including any Leases that are added as Restructured Leases pursuant to Section 2.8 and excluding the Excluded Leases.
- (xxx) ~~(yyy)~~ **“Retained Assets”** has the meaning given to such term in Section 2.3.
- (yyy) ~~(zzz)~~ **“Retained Contracts”** means, other than the Retained Leases, those contracts of the Purchased Entities listed in Schedule ~~1.1(zzz)~~ 1.1(yyy) including any contracts that are added as Retained Contracts pursuant to Section 2.8.

- (zzz) ~~(aaaa)~~ “**Retained Employees**” means all Employees of the Purchased Entities as of the Closing Date other than the Terminated Employees.
- (aaaa) ~~(bbbb)~~ “**Retained Leases**” means all Restructured Leases and all other Leases in respect of Leased Real Property as of the Closing Date listed in Schedule ~~1.1(bbbb)~~ 1.1(aaaa) and including any Leases that are added as Retained Leases pursuant to Section 2.8.
- (bbbb) ~~(eeee)~~ “**Retained Liabilities**” has the meaning given to such term in Section 2.4 including any liabilities that are added as Retained Liabilities pursuant to Section 2.8.
- (cccc) ~~(dddd)~~ “**Secured Credit Bid Consideration**” has the meaning given to such term in Section 3.1(d).
- (dddd) ~~(eeee)~~ “**SISP**” means the Sale and Investment Solicitation Process approved by the SISP Order, as may be amended by the CCAA Court from time to time, which must be acceptable to the Purchaser, acting reasonably, and substantially in the form of the Sale and Investment Solicitation Process attached hereto as Exhibit A.
- (eeee) ~~(ffff)~~ “**SISP Order**” has the meaning ascribed to it in Recital C.
- (ffff) ~~(gggg)~~ “**Stalking Horse Bid**” has the meaning given to such term in the SISP.
- (gggg) ~~(hhhh)~~ “**Stores**” means all of the retail store locations of the Purchased Entities.
- (hhhh) ~~(iiii)~~ “**Successful Bid**” and “**Successful Bidder**” has the meaning given to such terms in the SISP.
- (iiii) ~~(jjjj)~~ “**Tax**” and “**Taxes**” means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by any Taxing Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Taxing Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, GST/HST, value added, consumption, sales, use, excise, stamp, withholding, business, franchising, escheat, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada, Ontario, and other government pension plan premiums or contributions.
- (jjjj) ~~(kkkk)~~ “**Tax Act**” means the *Income Tax Act* (Canada) and shall also include a reference to any applicable and corresponding provisions under the income tax laws of a province or territory of Canada, as applicable.
- (kkkk) ~~(llll)~~ “**Tax Return**” means any return, declaration, report, statement, information statement, form, election, amendment, claim for refund, schedule or attachment thereto or

other document filed or required to be filed with a Taxing Authority with respect to Taxes.

(llll) ~~(mmmm)~~ **“Taxing Authorities”** means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, and any Canadian or other Governmental Authority exercising taxing authority or power, and “Taxing Authority” means any one of the Taxing Authorities.

(mmmm) ~~(nnnn)~~ **“Terminated Employees”** means those Employees terminated by the applicable Purchased Entity on or prior to the Closing Date at the sole discretion of the Purchaser, provided that in respect of terminations of any Employees that are unionized, the applicable Purchased Entity’s prior consent is required and such terminations of any unionized Employees must comply with the applicable collective bargaining agreement.

(nnnn) ~~(oooo)~~ **“The High Roller Club Rewards Program”** means the customer loyalty program offered by the Purchased Entities.

(oooo) ~~(pppp)~~ **“Transaction”** means, collectively, the Pre-Closing Reorganization, the purchase and issuance of the Purchased Shares pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the purchase and issuance of the Purchased Shares; and

(pppp) ~~(qqqq)~~ **“Transaction Regulatory Approvals”** means any material license, permits approvals and/or grants required from any Governmental Authority or under any Applicable Laws relating to the business and operations of the Purchased Entities or the Purchaser that would be required to be obtained in order to permit the Company and the Purchaser to complete the transactions contemplated by this Agreement and for the Purchased Entities to carry on the Business following the Closing Date.

(qqqq) ~~(rrrr)~~ **“TS Investments Grid Note”** means the grid promissory note dated October 7, 2022 between TS Investments Corp., as lender, and each of the Company, 2733181 Ontario Inc., 2161907 Alberta Ltd., 2737503 Ontario Inc, 2733182 Ontario Inc., TS-IP Holdings Ltd., TS Programs Ltd., 2826475 Ontario Inc., 2197130 Alberta Ltd., 2699078 Ontario Inc., 2708540 Ontario Corporation, 2734082 Ontario Inc., TS Wellington Inc., 2742591 Ontario Inc., and 2796279 Ontario Inc. as borrowers, as amended.

(rrrr) ~~(ssss)~~ **“TS Investments GSA”** means the general security agreement dated October 7, 2022 (and as amended on December 30, 2022, February 21, 2023, May 31, 2024, and August 2, 2024) executed by the borrowers and guarantors under the TS Investments Grid Note in favour of TS Investments Corp., as amended.

## **1.2 Statutes**

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended, re-enacted or replaced.

## **1.3 Headings, Table of Contents, etc.**

The provision of a table of contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Agreement. The recitals to this Agreement are an integral part of this Agreement.

## **1.4 Gender and Number**

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.

## **1.5 Currency**

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars. References to “\$” are to Canadian dollars.

## **1.6 Certain Phrases**

In this Agreement (i) the words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation” and (ii) the words “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”. The expression “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Agreement.

## **1.7 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity 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 so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon (i) such a determination of invalidity or unenforceability or (ii) any change in Applicable Law or other action by any Governmental Authority which materially detracts from the legal or economic rights or benefits, or materially increases the obligations, of any Party or any of its Affiliates under this Agreement, the Parties shall negotiate to modify this Agreement in good faith so as to effect the original intent of the Parties as closely as possible in an acceptable manner so that the transactions contemplated by this Agreement be consummated as originally contemplated to the fullest extent possible.

### **1.8 Entire Agreement; Amended & Restated**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement among the Parties, and set out all the covenants, promises, warranties, representations, conditions and agreements among the Parties in connection with the subject matter of this Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral among the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement. This Agreement amends and restates, in its entirety, the Original Agreement as of the date first written above and it is hereby confirmed that all prior actions of any party made pursuant to the Original Agreement prior to such remain effective.

### **1.9 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto, and provided that such amendment is consented to by the Monitor. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

### **1.10 Governing Law; Jurisdiction and Venue**

This Agreement, the rights and obligations of the Parties under this Agreement, and any Claim or controversy directly or indirectly based upon or arising out of this Agreement or the transactions contemplated by this Agreement (whether based on contract, tort or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the CCAA Court for the resolution of any such disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 12.7 shall be deemed effective service of process on such Party.

### **1.11 Incorporation of Schedules and Exhibits**

Any schedule or exhibit attached thereto, and any schedule or exhibit attached to this Agreement, is an integral part of this Agreement.

### **1.12 Accounting Terms**

All accounting terms used in this Agreement are to be interpreted in accordance with GAAP unless otherwise specified.

### 1.13 Non-Business Days

Whenever payments are to be made or an action is to be taken on a day which is not a Business Day, such payment will be made or such action will be taken on or not later than the next succeeding Business Day.

### 1.14 Computation of Time Periods

If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Agreement, then the first day of the period is not counted, but the day of its expiry is counted.

## ARTICLE 2 SUBSCRIPTION AND ASSET PURCHASE

### 2.1 Agreement to Subscribe for and Issue Purchased Shares

- (a) Upon and subject to the terms and conditions of this Agreement, at the Closing and effective as of the Closing Time, in accordance with the Closing Sequence, the Company shall issue to the Purchaser, and the Purchaser shall subscribe for that number and class of shares in the share capital of the Company from treasury, to be specified by the Purchaser at least two Business Days prior to the Closing Date, which shares shall be free and clear of all Encumbrances, except for any Permitted Encumbrances and any Encumbrances under any BMO Post-Closing Loan Documents and the TS Investments GSA (the “**Purchased Shares**”).
- (b) Pursuant to the Approval and Reverse Vesting Order and, if required, the Articles of Reorganization, in accordance with the Closing Sequence, all Equity Interests of the Company outstanding prior to the issuance of the Purchased Shares, other than the Purchased Shares, shall be cancelled, without consideration, and the Purchased Shares shall represent 100% of the outstanding Equity Interests in the Company after such cancellation and issuance.

### 2.2 Excluded Assets

As of the Closing and pursuant to the Approval and Reverse Vesting Order, the assets of the Purchased Entities shall not include any of the following assets, together with any other assets as set forth on Schedule 2.2 (collectively, the “**Excluded Assets**”):

- (a) the Cash Consideration;
- (b) the Tax records and returns, and books and records pertaining thereto and other documents, in each case, that primarily or solely relate to any of the Excluded Liabilities or Excluded Assets, provided that the Purchased Entity may retain original copies of any such records if required by Applicable Law and provided further that the applicable Purchased Entity may take copies of all Tax records and books and records pertaining to such records to the extent necessary or useful



for the carrying on of the Business after Closing, including the filing of any Tax Return;

- (c) the Excluded Contracts;
- (d) the Excluded Leases;
- (e) any assets which are added as Excluded Assets pursuant to Section 2.7;
- (f) all communications, information or records, written or oral, that are in any way related to (i) the transactions contemplated by this Agreement, (ii) the sale of the Purchased Shares, (iii) any Excluded Asset or (iv) any Excluded Liability; and
- (g) any rights which accrue to Residual Co. under the transaction documents.

### 2.3 Retained Assets

On the Closing Date, the Purchased Entities shall retain, free and clear of any and all Encumbrances other than Permitted Encumbrances, all of the assets owned by them on the date of this Agreement and any assets acquired by them up to and including Closing, including the Retained Contracts, Existing Shares of the Purchased Entities (other than the Company) which are owned by the Company or other Purchased Entities, and Licenses (the “**Retained Assets**”), except, however, any assets sold in the ordinary course of business between the date hereof and the Closing Date in accordance with the terms of this Agreement. For greater certainty, the Retained Assets shall not include the Excluded Liabilities, Excluded Assets or the Excluded Contracts, which Purchased Entities shall transfer to Residual Co. in accordance with this Agreement.

### 2.4 Retained Liabilities

Pursuant to this Agreement and the Approval and Reverse Vesting Order, as of the Closing Time, the only obligations and liabilities of the Purchased Entities shall consist of only the items specifically set forth below (collectively, the “**Retained Liabilities**”):

- (a) wages, vacation pay, and benefit plans owing by any Purchased Entity to any Retained Employee accruing to and after the Closing Time;
- (b) the Cure Costs and liabilities of the Purchased Entities under the Retained Contracts from and after the Closing Time;
- (c) the Cure Costs and liabilities arising from or in connection with the performance of the Restructured Leases, as amended, and the other Retained Leases, from and after the Closing Time;
- (d) the Post-Filing Claims that remain outstanding as at the Closing Time;



- (e) the outstanding indebtedness under the BMO Post-Closing Loan Documents unless the Purchaser elects to pay such outstanding indebtedness in cash in accordance with Section 3.2;
- (f) relating to Gift Cards and The High Roller Club Rewards Program and in each case, accruing to and after the Closing Time;
- (g) the Intercompany Liabilities ~~payables~~, including for certainty, outstanding indebtedness under the DIP Term Sheet which will be retained as indebtedness under the TS Investments Grid Note and amounts owing under the TS Investments Grid note which do not form part of the Secured Credit Bid Consideration (and all Claims, Encumbrances relating thereto, provided that all Claims and Encumbrances under the DIP Term Sheet will be discharged and the outstanding indebtedness under the DIP Term Sheet shall be retained as indebtedness under the TS Investments Grid Note);
- (h) Tax liabilities of the Purchased Entities for any period, or the portion thereof, beginning on or after the Closing Date;
- (i) those specific Retained Liabilities set forth in Schedule 2.4; and
- (j) those liabilities that are added as Retained Liabilities pursuant to Section 2.8.

## 2.5 Excluded Liabilities

Except for Retained Liabilities, all Claims and all debts, obligations and liabilities of the Purchased Entities or any predecessors thereof, of any kind or nature, shall be assigned to, and become the sole obligation of, Residual Co. pursuant to the terms of the Approval and Reverse Vesting Order and this Agreement, and, as of the Closing, the Purchased Entities shall not have any obligation, duty, or liability of any kind whatsoever, except for Retained Liabilities, whether accrued, contingent, known or unknown, express or implied, primary or secondary, direct or indirect, liquidated, unliquidated, absolute, accrued, contingent or otherwise, and whether due or to become due, and such liabilities or obligations shall be the sole responsibility of Residual Co., including *inter alia*, and any and all liability relating to any change of control provision that may arise in connection with the change of control contemplated by the transactions hereunder and to which the Purchased Entities may be bound as at Closing, all liabilities relating to or under the Excluded Contracts, Excluded Leases, and Excluded Assets, liabilities for all Terminated Employees and those liabilities that are added as Excluded Liabilities pursuant to Section 2.7 (collectively, the “**Excluded Liabilities**”).

## 2.6 Transfer of Excluded Liabilities to Residual Co.

On the Closing Date, pursuant to the terms of the Approval and Reverse Vesting Order, the Purchased Entities shall assign and transfer the Excluded Liabilities to Residual Co., and Residual Co. shall assume the Excluded Liabilities in consideration of the Excluded Assets acquired by Residual Co. All of the Excluded Liabilities shall be discharged from the Purchased Entities as of the Closing, pursuant to the Approval and Reverse Vesting Order.

## 2.7 Right to Exclude Assets and Liabilities

At any time on or prior to the day that is five (5) days prior to the hearing date for the Approval and Reverse Vesting Order (or such later date as agreed to by the Purchaser and the Company with the consent of the Monitor), the Purchaser may, by giving notice to the Company and the Monitor, elect to: (a) exclude any assets or properties of any Purchased Entity from the Retained Assets, and add such assets or properties to the Excluded Assets; (b) exclude any contract from the Retained Contracts, including any Leases that are not amended to the satisfaction of the Purchaser, and add such contracts to the Excluded Contracts; and (c) exclude any liability other than the liability set out in Section 2.4(d) from the Retained Liabilities and add such liability to the Excluded Liabilities. No changes to the Purchase Price shall result from the exclusion of any assets, properties, Contracts, Liabilities, Retained Contracts, Retained Liabilities or Retained Employees pursuant to this Section 2.7.

## 2.8 Right to Add Assets and Liabilities†

At any time on or prior to the day that is one (1) day prior to the Closing Date, the Purchaser may, by giving notice to the Company and the Monitor, elect to: (a) exclude any assets or properties of any Purchased Entity from the Excluded Assets, and add such assets or properties to the Retained Assets; (b) exclude any contract from the Excluded Contracts, including any Leases that are amended to the satisfaction of the Purchaser, and add such contracts to the Retained Contracts; (c) exclude any liability from the Excluded Liabilities and add such liability to the Retained Liabilities. No changes to the Purchase Price shall result from the addition of any assets, properties, liabilities to the Retained Assets, Retained Contracts, Retained Liabilities or Retained Employees pursuant to this Section 2.8.

## 2.9 Transfer of Excluded Assets to Residual Co.

On the Closing Date, pursuant to the terms of the Approval and Reverse Vesting Order and in consideration for Residual Co. assuming the Excluded Liabilities pursuant to Section 2.6 of this Agreement, the Purchased Entities shall assign and transfer the Excluded Assets to Residual Co., and the Excluded Assets shall vest in Residual Co. pursuant to the Approval and Reverse Vesting Order.

## 2.10 Pre-Closing Reorganization

- (a) Subject to Section 2.10(b), the Company agrees that, no earlier than the Business Day immediately prior to the Closing Date and upon request of the Purchaser, the Company shall, and shall cause any of the Applicants to, ~~with the consent of the Company, not to be unreasonably withheld, conditioned or delayed,~~ perform such other reorganizations of its corporate structure, capital structure, business, operations and assets, settlements of Intercompany Liabilities, or such other transactions as Purchaser may request, acting reasonably (each such action, a "Pre-Closing Reorganization"). The Company agrees to use commercially reasonable efforts to cooperate with the Purchaser and its advisors to determine the nature of any Pre-Closing Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken, including filing or

causing the Company to file available elections or designations reasonably required to effect the Pre-Closing Reorganizations if such filing is reasonably proposed to be made at or prior to Closing, and to cooperate with the Purchaser and its advisors to seek to obtain consents or waivers which might be required under any Retained Contracts or authorizations from Governmental Authorities in respect of any Pre-Closing Reorganization.

- (b) Notwithstanding the foregoing, the Company will not be obligated to participate in any Pre-Closing Reorganization if the Company determines acting reasonably that such Pre-Closing Reorganization would (i) materially impair, impede, delay or prevent the satisfaction of any conditions set forth in Article 7, or the ability of the Purchaser or Company to consummate, or materially delay the consummation of, the Transaction, or (ii) (A) materially alter or impact the consideration which the Applicants and/or their applicable stakeholders will benefit from as part of the Transactions, or (B) have adverse tax consequences, or impose any Liability on, the remaining Applicants or any director of the Company in each case that is greater than the amount of such tax consequences or Liability in the absence of such action.
- (c) This Agreement (including the Closing Sequence) will be amended and restated as required to give effect to a Pre-Closing Reorganization.

### ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS

#### 3.1 Purchase Price

The total aggregate consideration in respect of the Purchased Shares shall be an amount equal to the aggregate of the following (the “**Purchase Price**”):

- (a) the outstanding obligations payable by the Applicants as of the Closing Date pursuant the DIP Term Sheet including the principal amount of such claims and interest accrued as of the Closing Date, plus all accrued and unpaid interest thereon through to and including the Closing Date, plus any unpaid fees and expenses associated therewith ~~(the “DIP Credit Bid Consideration”)~~;
- (b) the outstanding indebtedness owing by the Purchased Entities under the BMO Loan Documents that has accrued as of the Closing Date;
- (c) and an amount equivalent to all other Retained Liabilities (other than amounts of indebtedness owing under the BMO Loan Documents) that have accrued as of the Closing Date;
- (d) the amount of \$31,000,000, representing a portion of the outstanding secured obligations payable by the Applicants as of the Closing Date pursuant the TS Investments Grid Note including the principal amount of such claims and interest accrued as of the Closing Date, plus all accrued and unpaid interest thereon through to and including the Closing Date, plus any unpaid fees and expenses

associated therewith (the “Secured Credit Bid Consideration” ~~together with the DIP Credit Bid Consideration, the “Credit Bid Consideration”~~);

- (e) the Cure Costs;
- (f) the Priority Payment Amount; and
- (g) the Administrative Expense Amount,

(the amounts in paragraph (b), if the Purchaser elects to have the outstanding indebtedness under the BMO Loan Documents paid in cash under ~~Section 3.2(b), (e), (f) and (g)~~ Sections 3.2(c), and the amounts in paragraphs (e), (f) and (g) together, the “Cash Consideration”).

### 3.2 Satisfaction of Purchase Price

- (a) The Secured Credit Bid Consideration shall be paid and satisfied on the Closing Date by the Purchaser releasing the Applicants from repayment of all amounts owing in connection with the Secured Credit Bid Consideration pursuant to the Credit Bid ~~Releases~~ Release.
- (b) The outstanding indebtedness of the Purchased Entities under the DIP Term Sheet shall be retained by the Purchased Entities and following Closing will be evidenced as indebtedness owing under the TS Investments Grid Note.
- (c) ~~(b)~~ The outstanding indebtedness of the Purchased Entities under the BMO Loan Documents shall, at the Purchaser’s election be: (a) retained or refinanced in accordance with the BMO Post-Closing Loan Documents with the consent of BMO, or (b) be paid in cash or by such other consideration acceptable to BMO, acting reasonably.
- (d) ~~(e)~~ The Retained Liabilities (other than in respect of the BMO Credit Agreement) shall be retained by the applicable Purchased Entities on the Closing Date.
- (e) ~~(d)~~ The Cash Consideration shall be paid and satisfied on the Closing Date by the Purchaser paying the Cash Consideration to the Monitor, to be held in escrow and paid in accordance with the Closing Sequence. Any other consideration that may be acceptable to BMO shall be paid to it on the Closing Date.

## ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants on behalf of itself and its subsidiaries who are Purchased Entities, to the Purchaser, as follows, and acknowledges that the Purchaser is relying upon the following representations and warranties in connection with its purchase of the Purchased Shares:

#### **4.1 Due Authorization and Enforceability of Obligations**

Subject to the granting of the Approval and Reverse Vesting Order, this Agreement has been duly authorized, executed and delivered by it, and constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

#### **4.2 Existence and Good Standing**

Each of the Company and the Purchased Entities is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and (i) has all requisite power and authority to execute and deliver this Agreement and (ii) has taken all requisite corporate or other action necessary for it to execute and deliver this Agreement and to perform its obligations hereunder and consummate the transaction contemplated hereunder.

#### **4.3 Absence of Conflicts**

The execution and delivery of this Agreement by the Company and the completion of its obligations hereunder and the consummation of the transactions contemplated herein do not and will not violate or conflict with any Applicable Law, (subject to the receipt of any Transaction Regulatory Approvals and the granting of the Approval and Reverse Vesting Order) and will not result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under the certificate of incorporation, articles, by-laws or other constituent documents of any Applicant. Subject to the granting of the Approval and Reverse Vesting Order, the execution, delivery and performance by the Company does not and will not violate any Order.

#### **4.4 Approvals and Consents**

The execution and delivery of this Agreement by the Company, the completion by the Company of its respective obligations hereunder and the consummation by each of the Company of the transactions contemplated herein, do not and will not require any consent or approval or other action, with or by, any Governmental Authority, other than as contemplated by the applicable Transaction Regulatory Approvals and the entry of the Approval and Reverse Vesting Order by the CCAA Court.

#### **4.5 No Actions**

There is not, as of the date hereof, pending or, to the Company's knowledge, threatened against any Applicant or any of its properties, nor has any Applicant received any written notice in respect of, any Claim, potential Claim, litigation, action, suit, arbitration, investigation or other proceeding before any Governmental Authority or legislative body, other than the CCAA Court, that, would prevent the Company from executing and delivering this Agreement, performing its obligations hereunder and consummating the transactions and agreements contemplated by this Agreement.

## **ARTICLE 5**

### **REPRESENTATIONS AND WARRANTIES OF PURCHASER**

Purchaser represents and warrants to the Company as follows, and acknowledges that the Company is relying upon the following representations and warranties in connection with the sale of the Purchased Shares:

#### **5.1 Due Authorization and Enforceability of Obligations**

This Agreement has been duly authorized, executed and delivered by the Purchaser, and, assuming the due authorization, execution and delivery by it, this Agreement constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

#### **5.2 Existence and Good Standing**

Purchaser is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and consummate the transactions contemplated by this Agreement.

#### **5.3 Absence of Conflicts**

The execution and delivery of this Agreement by the Purchaser and the completion by the Purchaser of its obligations hereunder and the consummation of the transactions contemplated herein do not and will not violate or conflict with any Applicable Law, or any of its properties or assets, (subject to the receipt of any applicable Transaction Regulatory Approvals) and will not result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under its certificate of incorporation, articles, by-laws or other constituent documents.

#### **5.4 Approvals and Consents**

The execution and delivery of this Agreement by the Purchaser, the completion by the Purchaser of its obligations hereunder and the consummation by the Purchaser of the transactions contemplated herein, do not and will not require any consent, approval or other action, with or by, any Governmental Authority, other than as contemplated by the applicable Transaction Regulatory Approvals and the granting of the Approval and Reverse Vesting Order by the CCAA Court.

#### **5.5 No Actions**

There is not, as of the date hereof, pending or, to the Purchaser's knowledge, threatened against it or any of its properties, nor has the Purchaser received notice in respect of, any Claim, potential Claim, litigation, action, suit, arbitration, investigation or other proceeding before any Governmental Authority or legislative body, other than the CCAA Court, that, would prevent it

from executing and delivering this Agreement, performing its obligations hereunder and consummating the transactions and agreements contemplated by this Agreement.

#### **5.6 Credit Bid and Cash Consideration; Availability of Funds**

- (a) The Purchaser will have executed on or prior to Closing, the requisite documents to allow the Purchaser, and the Purchaser is and will be duly authorized, to, among other things, deliver the Secured Credit Bid Consideration in connection with the consummation of the Closing hereunder, which documents shall be delivered by the Purchaser to the Company.
- (b) The Purchaser will have on Closing, sufficient unrestricted funds and financial capacity to consummate the transactions contemplated by this Agreement, including payment of the Cash Consideration.

#### **5.7 Residence**

Purchaser is not a non-resident of Canada within the meaning of the Tax Act.

### **ARTICLE 6 AS IS, WHERE IS**

The Purchaser acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Business, the Purchased Shares, the Retained Liabilities and all related operations of the Purchased Entities, and, based solely thereon and the advice of its financial, legal and other advisors, has determined to proceed with the transactions contemplated by this Agreement. The Purchaser has relied solely on the results of its own independent investigation and verification and, except for the representations and warranties of the Company expressly set forth in Article 4, the Purchaser understands, acknowledges and agrees that all other representations, warranties, conditions and statements of any kind or nature, expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Purchased Entities or the Business, or the quality, quantity or condition of the Purchased Shares) are specifically disclaimed by each of the Company, the other Purchased Entities, their respective financial and legal advisors and the Monitor and its legal counsel. THE PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY EXPRESSLY AND SPECIFICALLY SET FORTH IN ARTICLE 4: (A) THE PURCHASER IS ACQUIRING THE PURCHASED SHARES ON AN “AS IS, WHERE IS” BASIS; AND (B) NONE OF THE COMPANY, THE OTHER APPLICANTS, THE MONITOR OR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF EITHER OF THE COMPANY, THE OTHER APPLICANTS OR THE MONITOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND THE PURCHASER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING THE PURCHASED ENTITIES, THE BUSINESS, THE PURCHASED SHARES, THE RETAINED LIABILITIES, THE EXCLUDED ASSETS, THE



EXCLUDED LIABILITIES, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THE AGREEMENT, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE PURCHASER OR ANY OF ITS RESPECTIVE REPRESENTATIVES, INCLUDING WITH RESPECT TO MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH THE PURCHASER CONFIRMS DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY THE PURCHASER.

## **ARTICLE 7 CONDITIONS**

### **7.1 Conditions for the Benefit of the Purchaser and Company**

The respective obligations of the Purchaser and the Company to consummate the transactions contemplated by this Agreement are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) *No Law* – no provision of any Applicable Law and no Order preventing or otherwise frustrating the consummation of the purchase of the Purchased Shares or any of the other transactions pursuant to this Agreement shall be in effect;
- (b) *Final Orders* – each of the SISP Order and the Approval and Reverse Vesting Order shall have been issued and entered and shall be Final Orders;
- (c) *Successful Bid* – this Agreement will be the Successful Bid (as determined pursuant to the SISP); and
- (d) *Transaction Regulatory Approvals* – the Parties shall have received the required Transaction Regulatory Approvals, and all such Transaction Regulatory Approvals shall be in full force and effect, except for Transaction Regulatory Approvals that need not be in full force and effect prior to Closing.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of each of the Company and the Purchaser. Any condition in this Section 7.1 may be jointly waived by the Company and by the Purchaser, in whole or in part, without prejudice to any of their respective rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver will be binding on the Company and the Purchaser, as applicable, only if made in writing.

### **7.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to consummate the transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver by the Purchaser of, at or prior to



the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Purchaser):

- (a) *Performance of Covenants* – the covenants contained in this Agreement to be performed or complied with by the Company at or prior to the Closing Time shall have been performed or complied with in all material respects as at the Closing Time;
- (b) *Truth of Representations and Warranties* – (i) the representations and warranties of the Company contained in Article 4 shall be true and correct in all respects as of the Closing Date, as if made at, and as of, such date (except for representations and warranties made as of specified date, the accuracy of which shall be determined as of such specified date) except where the failure to be so true and correct would not, in the aggregate, have a Material Adverse Effect (and, for this purpose, any reference to “material”, “Material Adverse Effect” or other concepts of materiality in such representation and warranties shall be ignored);
- (c) *Officer’s Certificates* – The Purchaser shall have received a certificate confirming the satisfaction of the conditions contained in Sections 7.2(a) (Performance of Covenants) the covenants contained in this Agreement to be performed or complied with by the Company at or prior to the Closing Time shall have been performed or complied with in all material respects as at the Closing Time and 7.2(b) (Truth of Representations and Warranties), signed for and on behalf of the Company by an executive officer of the Company or other Persons acceptable to the Purchaser, without personal liability, in each case in form and substance reasonably satisfactory to the Purchaser;
- (d) *Company’s Deliverables* – the Company shall have delivered to the Purchaser all of the deliverables contained in Section 11.3 in form and substance reasonably satisfactory to the Purchaser;
- (e) *Terminated Employees* - the applicable Purchased Entity shall have terminated the employment of the Terminated Employees, and all liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of or damages in lieu of, statutory notice, termination payments, severance, benefits, bonuses or other compensation or entitlements, shall be Excluded Liabilities which, pursuant the Approval and Reverse Vesting Order, shall be assigned and transferred as against the applicable Purchased Entity to, and assumed by, Residual Co.
- (f) *Licence Condition* - the Licences are in good standing and will continue in good standing, and not be suspended or terminated, following the Closing Date, which shall be satisfied upon, among other things, evidence from the applicable Governmental Authority that such Licences are in good standing and will not be suspended or terminated by such Governmental Authority as a result of any events, or amounts owing by any Applicants, relating to the period preceding the Closing Date, unless the failure for any such License or Licences being in good

standing or being suspended or terminated does not, in the aggregate, have a Material Adverse Effect.

### 7.3 Conditions for the Benefit of the Company

The obligation of the Company to consummate the transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver where applicable by the Company of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Company):

- (a) *Truth of Representations and Warranties* – the representations and warranties of the Purchaser contained in Article 5 will be true and correct in all respects on and as of the date of this Agreement and on and as of the Closing Date as if made on and as of such date (except for representations and warranties made as of specified date, the accuracy of which shall be determined as of such specified date) except where the failure to be so true and correct would not reasonably be expected to have a material and adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement;
- (b) *Performance of Covenants* – the covenants contained in this Agreement to be performed by the Purchaser at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) *Officer's Certificate* – The Company shall have received a certificate confirming the satisfaction of the conditions contained in Sections 7.3(a) and 7.3(b) signed for and on behalf of the Purchaser without personal liability by an executive officer of the Purchaser or other Persons acceptable to the Company, acting in a commercially reasonable manner, in each case, in form and substance satisfactory to the Company, acting in a commercially reasonable manner; and
- (d) *Purchaser Deliverables* – Purchaser shall have delivered to the Company all of the deliverables contained in Section 11.4 in form and substance satisfactory to the Company, acting in a commercially reasonable manner.

## ARTICLE 8 ADDITIONAL AGREEMENTS OF THE PARTIES

### 8.1 Break-Up Fee

- (a) Upon completion of a Successful Bid (as defined in the SISP) other than the Transaction, a fee in cash equal to, in the aggregate of 1% of the Secured Credit Bid Consideration plus the amount of outstanding indebtedness under the DIP Term Sheet that is assumed at Closing (such amount, the “**Break-Up Fee**”) shall be payable concurrently with the consummation of such Successful Bid to the Purchaser by the Company.
- (b) For the avoidance of doubt, and notwithstanding anything to the contrary set forth in this Section 8.1, (x) under no circumstances shall the Company be obligated to

pay the Break-Up Fee more than once and (y) in no event shall the Company (or any other Person) be required to pay all or any portion of the Break-Up Fee to the Purchaser if the Company has terminated this Agreement other than in connection with CCAA Court approval of a Successful Bid (which is not the Transaction) in accordance with the terms of the SISP.

- (c) The Company acknowledges (i) that the Purchaser has made a substantial investment of management time and incurred substantial out-of-pocket expenses in connection with the negotiation and execution of this Agreement and its effort to consummate the transactions contemplated hereby, and (ii) that the Parties' efforts have substantially benefited the Company and the bankruptcy estates of the Purchased Entities through the submission of the offer that is reflected in this Agreement, that will serve as a minimum bid on which other potential interested bidders can rely, thus increasing the likelihood that the price at which the Purchased Entities are sold will be validated. The Parties hereby acknowledge that the amounts payable pursuant to this Section 8.1 are commercially reasonable and necessary to induce the Purchaser to enter into this Agreement and consummate the transactions contemplated hereby. For the avoidance of doubt, the covenants set forth in this Section 8.1 are continuing obligations and survive termination of this Agreement.

## **8.2 Access to Information and Properties**

- (a) Until the Closing Time, the Company, with oversight of the Monitor, shall give to the Purchaser's personnel engaged in the transactions contemplated by this Agreement and their accountants, legal advisers, consultants, financial advisors and representatives during normal business hours reasonable access to its premises and to all of the books, records, and other information relating to the Business, and shall furnish them with all such information relating to the Business, the Applicants, the Retained Liabilities and the list of Employees as Purchaser may reasonably request in connection with the transactions contemplated by this Agreement, such requests to be made to the Monitor; provided that such access shall be conducted at Purchaser's expense, in accordance with Applicable Law and under supervision of the Monitor or the Company's senior management and in such a manner as to maintain confidentiality, and the Company will not be required to provide access to or copies of any such books and records if: (i) the provision thereof would cause applicable Company to be in contravention of any Applicable Law; (ii) breach the terms of the SISP Order; or (iii) making such information available would: (1) result in the loss of any lawyer-client or other legal privilege; or (2) cause applicable Company to be found in contravention of any Applicable Law, or contravene any fiduciary duty or agreement (including any confidentiality agreement to which the Company or any of its Affiliates are a party). Notwithstanding anything in this Section 8.2 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such

manner as does not materially disrupt the conduct of the Business or the possible sale thereof to any other Person.

- (b) Following the Closing, the Purchaser shall make all books and records of the Applicants as of the Closing reasonably available to the Monitor and any trustee in bankruptcy of any of the Applicants upon at least five Business Days prior notice, for a period of seven years after Closing, and shall, at such Party's expense, permit the Monitor and any trustee in bankruptcy of the Applicants to take copies thereof as they may determine to be necessary or useful to accomplish their respective roles; provided that Purchaser shall not be obligated to make such books and records available to the extent that doing so would: (i) violate Applicable Law; (ii) jeopardize the protection of a solicitor-client privilege; or (iii) unreasonably interfere with the ongoing business and operations of the Purchased Entities and their Affiliates, as determined by the Applicants, acting reasonably.
- (c) Following the Closing, the Applicants shall make all books and records comprising Excluded Assets reasonably available to the Monitor and any trustee in bankruptcy of any of the Applicants upon at least five Business Days prior notice, for a period of seven years after Closing, and shall, at such Party's expense, permit the Monitor and any trustee in bankruptcy of the Applicants to take copies thereof as they may determine to be necessary or useful to accomplish their respective roles; provided that such Applicant shall not be obligated to make such books and records available to the extent that doing so would: (i) violate Applicable Law; (ii) jeopardize the protection of a solicitor-client privilege; or (iii) unreasonably interfere with the ongoing business and operations of the Applicants and their Affiliates, as determined by the Applicants, acting reasonably.

### **8.3 Regulatory Approvals and Consents**

- (a) The Parties shall use commercially reasonable efforts to apply for and obtain any Transaction Regulatory Approvals as soon as reasonably practicable and no later than the time limits imposed by Applicable Laws, in accordance with Section 8.3(b), in each case at the sole cost and expense of the Company.
- (b) Without limiting the generality of the foregoing, the Parties shall: (i) give each other reasonable advance notice of all meetings or other oral communications with any Governmental Authority relating to the Transaction Regulatory Approvals, as applicable, and provide as soon as practicable but in any case, if any, within the required time, any additional submissions, information and/or documents requested by any Governmental Authority necessary, proper or advisable to obtain the Transaction Regulatory Approvals; (ii) not participate independently in any such meeting or other oral communication without first giving the other Party (or their outside counsel) an opportunity to attend and participate in such meeting or other oral communication, unless otherwise required or requested by such Governmental Authority; (iii) if any Governmental

Authority initiates an oral communication regarding the Transaction Regulatory Approvals, promptly notify the other Party of the substance of such communication; (iv) subject to Applicable Laws relating to the exchange of information, provide each other with a reasonable advance opportunity to review and comment upon and consider in good faith the views of the other in connection with all written communications (including any filings, notifications, submissions, analyses, presentations, memoranda, briefs, arguments, opinions and proposals) made or submitted by or on behalf of a Party with a Governmental Authority regarding the Transaction Regulatory Approvals as applicable; and (v) promptly provide each other with copies of all written communications to or from any Governmental Authority relating to the Transaction Regulatory Approvals as applicable.

- (c) Each of the Parties may, as advisable and necessary, reasonably designate any competitively or commercially sensitive material provided to the other under this Section 8.3 as “Outside Counsel Only Material”, provided that the disclosing Party also provides a redacted version to the receiving Party. Such materials and the information contained therein shall be given only to the outside legal counsel of the recipient and, subject to any additional agreements between the Parties, will not be disclosed by such outside legal counsel to Employees, officers or directors of the recipient unless express written permission is obtained in advance from the source of the materials or its legal counsel.
- (d) The obligations of either Party to use its commercially reasonable efforts to obtain the Transaction Regulatory Approvals does not require either Party (or any Affiliate thereof) to undertake any divestiture of any business or business segment of such Party, to agree to any material operating restrictions related thereto or to incur any material expenditure(s) related therewith, unless agreed to by the Parties. In connection with obtaining the Transaction Regulatory Approvals, no Purchased Entity shall agree to any of the foregoing items without the prior written consent of the Purchaser.

#### **8.4 Covenants Relating to this Agreement**

- (a) Each of the Parties shall perform all obligations required to be performed by the applicable Party under this Agreement, co-operate with the other Parties in connection therewith and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, from the date hereof until the Closing Date, each Party shall and, where appropriate, shall cause each of its Affiliates to:
  - (i) negotiate in good faith and use its commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to satisfy the conditions precedent to the obligations of such Party hereunder (including, where applicable, negotiating in good faith with the applicable Governmental Authorities

and/or third Persons in connection therewith), and to cause the fulfillment at the earliest practicable date of all of the conditions precedent to the other Party's obligations to consummate the transactions contemplated hereby; and

- (ii) not take any action, or refrain from taking any action, or permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the transactions contemplated by this Agreement.
- (b) From the date hereof until the Closing Date, Purchaser hereby agrees, and hereby agrees to cause its representatives to, keep the Company informed on a reasonably current basis, and no less frequently than on a weekly basis through teleconference or other meeting, and as reasonably requested by each of the Company or the Monitor, as to the Purchaser's progress in terms of the satisfaction of the conditions precedent contained herein.
- (c) From the date hereof until the Closing Date, the Company hereby agrees, and hereby agrees to cause its representatives to, keep Purchaser informed on a reasonably current basis, and no less frequently than on a weekly basis through teleconference or other meeting, and as reasonably requested by the Purchaser or the Monitor, as to the applicable Company's progress in terms of the satisfaction of the conditions precedent contained herein.
- (d) Each of the Company and the Purchaser agree to execute and deliver such other documents, certificates, agreements and other writings, reasonably necessary for the consummation of the transactions contemplated by this Agreement, and to take such other actions to consummate or implement as soon as reasonably practicable, the transactions contemplated by this Agreement.
- (e) From the date hereof until the Closing Date, the Company hereby agrees, and hereby agrees to cause their representatives to, promptly notify the Purchaser of (i) any event, condition, or development that has resulted in the inaccuracy in a material respect or material breach of any representation or warranty, covenant or agreement contained in this Agreement, or (ii) any event or matter involving a License which may be expected to result in the condition in Section 7.2(f) not being satisfied.
- (f) Each of the Company and the Purchaser agree to use commercially reasonable efforts to timely prepare and file all documentation and pursue all steps reasonably necessary to obtain any material third-party consents and approvals, including without limitation the Transaction Regulatory Approvals, as may be required in connection with the transaction contemplated by this Agreement.
- (g) The Company agrees to use commercially reasonable efforts to promptly provide all documentation, copies of agreements and information reasonably required by the Purchaser to complete and finalize the Schedules to this Agreement. Such



information and documentation shall be provided to the Purchaser on an ongoing basis following execution of this Agreement and in any event shall be provided to the Purchaser no later than ten (10) days prior to the hearing of the Applicants' motion to the CCAA Court seeking the Approval and Reverse Vesting Order.

- (h) If Purchaser is the Successful Bidder, at the request of the Purchaser, the Company shall proceed with the liquidation, winding-up, dissolution and/or amalgamation of any of the Purchased Entities designated by the Purchaser on or prior to the Closing Date.

## **8.5 Administrative Expense Amount**

- (a) On the Closing Date, the Administrative Expense Amount shall be paid to the Monitor, which the Monitor shall hold for the benefit of Persons entitled to be paid the Administrative Expense Costs.
- (b) From time to time after the Closing Date, the Monitor may pay, on behalf of the Purchased Entities, the Administrative Expense Costs, from the Administrative Expense Amount, in each case to the Persons entitled to receive payment of these amounts, in its sole discretion and without further authorization from the Purchased Entities or Purchaser. Any unused portion of the Administrative Expense Amount after payment or reservation for all Administrative Expense Amount, as determined by the Monitor, in its sole discretion, shall be transferred by the Monitor to the Company, or as directed by it.
- (c) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of the Company and the Purchaser acknowledges and agrees that: (i) the Monitor's obligations under this Agreement are and shall remain limited to those specifically set out in this Section 8.5; and (ii) Monitor is acting solely in its capacity as the CCAA Court-appointed Monitor of the Applicants pursuant to the Initial Order and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor's gross negligence or intentional fault.
- (d) The Parties acknowledge that the Monitor may rely upon the provisions of this Section 8.5 notwithstanding that the Monitor is not a party to this Agreement.

The provisions of Sections 8.5(c) and (d) above shall survive the termination or non-completion of the transactions contemplated by this Agreement.

## **ARTICLE 9 INSOLVENCY PROVISIONS**

### **9.1 Court Orders and Related Matters**

- (a) From and after the date of this Agreement and until the Closing Date, the Company shall deliver to the Purchaser drafts of any and all pleadings, motions, notices, statements, applications, schedules, and other papers to be filed or submitted by any of the Applicants in connection with or related to this Agreement, including with respect to the Approval and Reverse Vesting Order, for Purchaser's prior review at least two (2) days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for two (2) days' review, with as much opportunity for review and comment as is practically possible in the circumstances). The Company acknowledge and agree (i) that any such pleadings, motions, notices, statements, applications, schedules, or other papers shall be in form and substance satisfactory to the Purchaser, acting reasonably, and (ii) to consult and cooperate with Purchaser regarding any discovery, examinations and hearing in respect of any of the foregoing, including the submission of any evidence, including witnesses testimony, in connection with such hearing.
- (b) Notice of the motions seeking the issuance of the Approval and Reverse Vesting Order shall be served or be caused to be served by the Applicants on all Persons required to receive notice under Applicable Law and the requirements of the CCAA, the CCAA Court, and any other Person determined necessary by the Applicants or Purchaser, acting reasonably.
- (c) As soon as practicable if Purchaser is selected or deemed to be the Successful Bidder in accordance with the SISF, the Applicants shall file a motion seeking the issuance of the Approval and Reverse Vesting Order.
- (d) If the Approval and Reverse Vesting Order relating to this Agreement is appealed or a motion for leave to appeal, rehearing, re-argument or reconsideration is filed with respect thereto, each of the Applicants agree (subject to the available liquidity of each of the Applicants) to take all action as may be commercially reasonable and appropriate to defend against such appeal, petition or motion.
- (e) The Company acknowledges and agrees, that the Approval and Reverse Vesting Order shall provide that, on the Closing Date and concurrently with the Closing, the Purchased Shares shall be transferred to the Purchaser free and clear of all Encumbrances, other than Permitted Encumbrances.



## ARTICLE 10 TERMINATION

### 10.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

- (a) by mutual written consent of each of the Company and the Purchaser;
- (b) by the Purchaser or the Company, if (i) this Agreement is not the Successful Bid (as determined pursuant to the SISP) and the transaction contemplated by the Successful Bid is closed;
- (c) by the Purchaser or the Company, if Closing has not occurred on or before December 6, 2024 or such later date agreed to by each of the Company and the Purchaser in writing in consultation with the Monitor (the “**Outside Date**”), provided that the terminating Party is not in breach of any representation, warranty, covenant or other agreement in this Agreement which would prevent the satisfaction of the conditions in Article 7 by the Outside Date;
- (d) by the Purchaser or the Company, if at any time after the date hereof any of the conditions in Article 7 is not capable of being satisfied by the applicable dates required in Article 7 of this Agreement or if not otherwise required, by the Outside Date, provided that the terminating Party is not in breach of any representation, warranty, covenant or other agreement in this Agreement which would prevent the satisfaction of the conditions in Article 7 by the Outside Date;;
- (e) by the Purchaser, upon the appointment of a receiver, trustee in bankruptcy or similar official in respect of any Applicant or any of the property of any Applicant, other than with the prior written consent of the Purchaser;
- (f) by the Purchaser or the Company, upon the termination, dismissal or conversion of the CCAA Proceedings;
- (g) by the Purchaser or the Company, upon dismissal of the motion for the Approval and Reverse Vesting Order (or if any such order is stayed, vacated or varied without the consent of the Purchaser);
- (h) by the Purchaser or the Company, if a court of competent jurisdiction, including the CCAA Court or other Governmental Authority has issued an Order or taken any other action to restrain, enjoin or otherwise prohibit the consummation of Closing and such Order or action has become a Final Order;
- (i) by the Company, if there has been a material violation or breach by the Purchaser of any covenant, representation or warranty which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.3, as applicable, by the Outside Date, and such violation or breach has not been waived by the Company, or cured by the Purchaser within ten (10) Business Days after written notice

thereof from the Company, unless the Company is in material breach of its obligations under this Agreement which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.2, as applicable, by the Outside Date; and

- (j) by the Purchaser, if there has been a material violation or breach by the Company of any covenant, representation or warranty which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.2, as applicable, by the Outside Date, and such violation or breach has not been waived by the Purchaser, or cured by the Company within ten (10) Business Days after written notice thereof from the Purchaser, unless the Purchaser is in material breach of its obligations under this Agreement which would prevent the satisfaction of the conditions set forth in Section 7.1 or Section 7.3, as applicable, by the Outside Date.

The Party desiring to terminate this Agreement pursuant to this Section 10.1 (other than pursuant to Section 10.1(a)) shall give written notice of such termination to the other Party or Parties, as applicable, specifying in reasonable detail the basis for such Party's exercise of its termination rights.

## **10.2 Effect of Termination**

In the event of termination of this Agreement pursuant to Section 10.1, this Agreement shall become void and of no further force or effect without liability of any Party to any other Party to this Agreement except that: (i) Section 8.1, 8.5(c) and 8.5(d), this Section 10.2, Section 12.1, 12.2, 12.5, 12.6 and 12.7 shall survive; and (ii) no termination of this Agreement shall relieve any Party of any liability for any wilful breach by it of this Agreement, or impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement in accordance with Section 12.3.

# **ARTICLE 11 CLOSING**

## **11.1 Location and Time of the Closing**

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence (as defined below), and shall be subject to such escrow document release arrangements as the Parties may agree.

## **11.2 Closing Sequence**

On the Closing Date, subject to the terms of the Approval and Reverse Vesting Order, Closing shall take place in the sequence set out in the Closing Sequence. The Purchaser may, as a result of any Pre-Closing Reorganization or otherwise with the prior consent of the Company and the Monitor, acting reasonably, amend the Closing Sequence provided that such amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transactions.

### 11.3 Company's Deliveries at Closing

At Closing, the Company, as applicable, shall deliver to the Purchaser the following:

- (a) a true copy of each of the Approval and Reverse Vesting Order and the SISP Order, each of which shall be final;
- (b) the certificates contemplated by Section 7.2(c);
- (c) the BMO Post-Closing Loan Documents (unless the Purchaser elects to pay the indebtedness owing under the BMO Loan Documents in cash under Section 3.2(b));
- (d) an updated TS Investments Grid Note which reflects a reduction in indebtedness in respect of the Secured Credit Bid Consideration and an increase in indebtedness in respect of outstanding indebtedness under the DIP Term Sheet that is retained;
- (e) ~~(d)~~ confirmation of the due incorporation and organization of Residual Co. on the terms set forth herein;
- (f) ~~(e)~~ evidence of completion of any Pre-Closing Reorganization;
- (g) ~~(f)~~ evidence of the filing of the Articles of Reorganization, if determined necessary by the Purchaser; and
- (h) ~~(g)~~ all other documents as reasonably requested by the Purchaser in good faith.

### 11.4 Purchaser's Deliveries at Closing

At Closing, the Purchaser shall deliver to the Company or, in the case of the amount described in 11.4(b), to the Monitor:

- (a) the Credit Bid ~~Releases~~ Release;
- (b) an acknowledgment and agreement that the outstanding indebtedness under the DIP Term Sheet is being retained by the Purchased Entities and will be evidenced as indebtedness under the TS Investments Grid Note following Closing;
- (c) ~~(b)~~ the Cash Consideration;
- (d) ~~(c)~~ the certificate contemplated by Section 7.3(c); and
- (e) ~~(d)~~ all other documents required to effect to the transaction contemplated by this Agreement, as reasonably requested by the Company in good faith.

### **11.5 Monitor**

When all conditions to Closing set out in Article 7 have been satisfied and/or waived by the Company or the Purchaser, as applicable, the Company and the Purchaser, or their respective counsel, shall each deliver to the Monitor written confirmation, in form and substance satisfactory to the Monitor, that all conditions to Closing have been satisfied or waived, subject to the Monitor's delivery of the Monitor's Certificate to the Purchaser in accordance with the Approval and Reverse Vesting Order. Upon receipt of such written confirmation, the Monitor shall: (i) issue forthwith its Monitor's Certificate in accordance with the Approval and Reverse Vesting Order; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the CCAA Court (and shall provide a true copy of such filed certificate to each of the Company and the Purchaser). The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the CCAA Court without independent investigation upon receiving written confirmation from the Company and the Purchaser that all conditions to Closing have been satisfied or waived, and the Monitor will have no liability whatsoever to any of the Company or Purchaser or any other Person as a result of filing the Monitor's Certificate.

### **11.6 Simultaneous Transactions**

All actions taken and transactions consummated at the Closing shall be deemed to have occurred in the manner and sequence set forth in the Closing Sequence and the Approval and Reverse Vesting Order (subject to the terms of any escrow agreement or arrangement among the Parties relating to the Closing), and no such transaction shall be considered consummated unless all are consummated.

### **11.7 Further Assurances**

As reasonably required by a Party in order to effectuate the transactions contemplated by this Agreement, Purchaser and each of the Applicants shall execute and deliver at (and after) the Closing such other documents, and shall take such other actions, as are necessary or appropriate, to implement and make effective the transactions contemplated by this Agreement.

## **ARTICLE 12 GENERAL MATTERS**

### **12.1 Confidentiality**

After the Closing Time, the remaining Applicants shall maintain the confidentiality of all confidential information relating to the Business and the Purchased Entities, except any disclosure of such information and records as may be required by Applicable Law. If any remaining Applicant, or any of their respective representatives, becomes legally compelled by deposition, interrogatory, request for documents, subpoena, civil investigative demand, or similar judicial or administrative process, to disclose any such information, such party shall, or shall cause its representative to, provide the Purchaser with reasonably prompt prior oral or written notice of such requirement (including any report, statement, testimony or other submission to such Governmental Authority) to the extent legally permissible and reasonably practicable, and cooperate with Purchaser, at Purchaser's expense, to obtain a protective order or similar remedy to cause such information not to be disclosed; provided that in the event that such protective

order or other similar remedy is not obtained, the applicable Applicant shall, or shall cause its representative to, furnish only that portion of such information that has been legally compelled, and shall, or shall cause such representative to, exercise its commercially reasonable efforts to obtain assurance that confidential treatment will be accorded to such disclosed information. The remaining Applicants shall instruct their representatives having access to such information of such obligation of confidentiality and shall be responsible for any breach of the terms of this Section 12.1 by any of their representatives.

## **12.2 Public Notices**

No press release or other announcement concerning the transactions contemplated by this Agreement shall be made by any of the Applicants or Purchaser without the prior consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed); provided, however, that subject to the last sentence of this Section 12.2, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings), and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Party to the extent legally permissible and reasonably practicable, and if such prior notice is not legally permissible or reasonably practicable, to give such notice reasonably promptly following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by either Party, as applicable with the CCAA Court; and (ii) the transactions contemplated in this Agreement may be disclosed by the Company to the CCAA Court. The Parties further agree that:

- (a) the Monitor may prepare and file reports and other documents with the CCAA Court containing references to the transactions contemplated by this Agreement and the terms of such transactions; and
- (b) the Applicants, the Purchaser and their respective professional advisors may prepare and file such motions, affidavits, materials, reports and other documents with the CCAA Court containing references to the transactions contemplated by this Agreement and the terms of such transactions as may reasonably be necessary to complete the transactions contemplated by this Agreement or to comply with their obligations in connection therewith.

Purchaser shall be afforded an opportunity to review and comment on such materials prior to their filing; provided in the case of reports or other documents prepared or to be filed by the Monitor with the CCAA Court the Purchaser shall be entitled to review only factual information contained therein relating to the terms of the transactions contemplated in this Agreement. The Parties may issue a joint press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to them.

## **12.3 Injunctive Relief**

- (a) The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled

to seek specific performance, injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such specific performance, injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at law or in equity.

- (b) Each Party hereby agrees not to raise any objections to the availability of the equitable remedies provided for herein and the Parties further agree that by seeking the remedies provided for in this Section 12.3, a Party shall not in any respect waive its right to seek any other form of relief that may be available to a Party under this Agreement.
- (c) Notwithstanding anything herein to the contrary herein, under no circumstances shall a Party be permitted or entitled to receive both monetary damages and specific performance and election to pursue one shall be deemed to be an irrevocable waiver of the other.

#### **12.4 Survival**

None of the representations, warranties, covenants (except the covenants in Article 2, Article 3, Article 12 and Sections 8.2(b) and 8.4, to the extent they are to be performed after the Closing) of any of the Parties set forth in this Agreement, in any Closing Document to be executed and delivered by any of the Parties (except any covenants included in such Closing Documents, which, by their terms, survive Closing) or in any other agreement, document or certificate delivered pursuant to or in connection with this Agreement or the transactions contemplated hereby shall survive the Closing.

#### **12.5 Non-Recourse**

No past, present or future director, officer, Employee, incorporator, member, partner, security holder, Affiliate (provided that for purposes of this Section 12.5 Purchaser and Company shall not be considered Affiliates of each other), agent, lawyer or representative of the respective Parties, in such capacity, shall have any liability for any obligations or liabilities of the Purchaser or the Company, as applicable, under this Agreement, or for any causes of action based on, in respect of or by reason of the transactions contemplated hereby.

#### **12.6 Assignment; Binding Effect**

No Party may assign its right or benefits under this Agreement without the consent of each of the other Parties, except that without such consent Purchaser may, upon prior notice to the Company, assign this Agreement, or any or all of its rights and obligations hereunder, to one or more of its Affiliates; provided that no such assignment or direction shall relieve Purchaser of its obligations hereunder. This Agreement shall be binding upon and enure to the benefit of the Parties and their respective permitted successors and permitted assigns. Although not Parties to this Agreement, the Monitor and its respective Affiliates and advisors shall have the benefits expressed to be conferred upon them in this Agreement, including in Article 6, and Section 12.4 (in respect of the Monitor) hereof. Subject to the preceding sentence, nothing in this Agreement

shall create or be deemed to create any third Person beneficiary rights in any Person not a Party to this Agreement.

## 12.7 Notices

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two (2) days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five (5) days after mailing via certified mail, return receipt requested. All notices not delivered personally or by email will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) If to the Purchaser at:

TS Investments Corp.  
Suite 2700 Edmonton Tower, 10111 104 Avenue NW  
Edmonton, AB T5J 0J4

Attention: Paul Marcaccio  
Email: pmarcaccio@oegi.ca

and to:

Osler, Hoskin & Harcourt LLP  
First King St. Canadian W Suite 6200 Place  
100 King St. W Suite 6200  
Toronto, ON M5X 1B8

Attention: Marc Wasserman / Martino Calvaruso / Justin Sherman

Email: mwasserman@osler.com/mcalvaruso@osler.com/  
jsherman@osler.com

If to the Company at:

2675970 Ontario Inc.  
~~590 King St W., Suite 400~~ 301 - 14 Duncan Street  
Toronto, ~~ON M5V 1M3~~ Ontario M5H 3G8

Attention: Andy Williams  
Email: awilliams@tokyosmoke.ca

and to:

Reconstruct LLP  
 Richmond-Adelaide Centre  
 120 Adelaide Street West, Suite 2500  
 Toronto, ON M5H 1T1

Attention: Caitlin Fell / Sharon Kour / Jessica Wuthmann  
 Email: cfell@reconllp.com / skour@reconllp.com / [jwuthmann@reconllp.com](mailto:jwuthmann@reconllp.com)

and to:

If to the Monitor at:

Alvarez & Marsal Canada Inc.  
 Royal Bank Plaza, South Tower  
 200 Bay Street, Suite 3501  
 P.O. Box 22  
 Toronto ON M5J 2J1  
 Canada

Attention: Joshua Nevsky  
 Email: TokyoSmoke@alvarezandmarsal.com

and to:

Stikeman Elliott LLP  
 5300 Commerce Court West,  
 199 Bay St.  
 Toronto, ON M5L 1B9

Attention: Lee Nicholson / Maria Konyukhova

Email: leenicholson@stikeman.com / mkonyukhova@stikeman.com

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

## 12.8 Counterparts; Electronic Signatures

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement may be made by electronic signature which, for all purposes, shall be deemed to be an original signature.

*[Signature pages to follow]*



IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

**2675970 ONTARIO INC.**

By: \_\_\_\_\_  
Name:  
Title:

**TS INVESTMENTS CORP.**

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE ~~1.1(oo)~~1.1(mm)****ENCUMBRANCES TO BE DISCHARGED**

1. The DIP Lender's Charge
2. The CCAA Charges

**SCHEDULE ~~1.1(mmm)~~1.1(mmm)****PERMITTED ENCUMBRANCES**

1. Any Encumbrances that secure obligations under the BMO Post-Closing Loan Documents.
2. Any Encumbrances that secure Intercompany Liabilities.
3. ~~2.~~ Any Encumbrances that secure ~~related party debt~~ obligations- under the TS Investments Grid Note.

**SCHEDULE ~~1.1(xxx)~~1.1(www)****RESTRUCTURED LEASES**

The following Restructured Leases feature terms in favor of the Tenant:

1. *JS201* with respect to the lease of Suite 2021, 540 Arthur Street W, Thunder Bay, ON.
2. *JS202* with respect to the lease of Unit 2, Unit 2, 701 Memorial Ave, Thunder Bay, ON.
3. *RM100* with respect to the lease of 1450 Main St. S., Unit D011, Dauphin, MB.
4. *RM101* with respect to the premises located at 2705 Victoria Avenue, Brandon, MB.
5. *RM202* with respect to the lease of 195 La Verendrye Blvd., Unit A, Morden, MB
6. *RM203* with respect to the lease of 54-70 Arthur Street., Unit 101, B004 & B005, Winnipeg, MB.
7. *RM205* with respect to the lease of 55B Goulet Street, Winnipeg, MB.
8. *RS100* with respect to the lease of 101 Centre Street, Meadow Lake, SK.
9. *RS101* with respect to the lease of 1919A – 8<sup>th</sup> Avenue, Unit R20, Humboldt, SK.
10. *TS139* with respect to the lease of 1011 Princess Street, Kingston, ON.
11. *TS147* with respect to the lease of Unit 3, 4515 Dundas Street, Burlington, ON.
12. *TS149* with respect to the lease of Unit A002, 555 Essa Road, Barrie, ON.
13. *TS156* with respect to the lease of 11795 Bramalea Road, Brampton, ON.
14. *TS204* with respect to the lease of Unit 7, 400 King Street, Oshawa, ON.
15. *TS205* with respect to the lease of 1082 Memorial Avenue, Thunder Bay, ON.
16. *TS206* with respect to the lease of Unit 6B, 666 Wonderland Road North, London, ON.
17. *TS207* with respect to the lease of 979 Bloor Street West, Toronto, ON.
18. *TS212* with respect to the lease of Unit 665-500, 655 Erb Street West, Waterloo, ON.
19. *TS218* with respect to the lease of 2257 Rymal Rd., Stoney Creek, ON.

20. *TS222* with respect to the lease of Unit BB03, 361 Mountainview Road, Georgetown, ON.
21. *TS228* with respect to the lease of 450 Yonge Street, Toronto, ON.
22. *TS233* with respect with respect to the lease of Unit 4, 305 North Front, Bellville, ON.
23. *TS240* with respect to the lease of 969-1007 Fennel Avenue, Hamilton, ON



## SCHEDULE ~~1.1(zzz)~~1.1(yyy)

### RETAINED CONTRACTS

1. TS Investments Grid Note
2. ~~1.~~ BMO Post-Closing Loan Documents.
3. ~~2.~~ Bell Mobility Services Agreement between 2733182 Ontario Inc. and Bell Mobility Inc.  
~~3.~~ dated January 10, 2024.
4. Agreement(s) with Rogers.
5. Various Business Order Forms between 2733182 Ontario Inc. and TekSavvy Solutions  
~~6.~~ Inc.
6. ~~7.~~ Various Business TekTalk Order Forms between 2733182 Ontario Inc. and TekSavvy  
~~8.~~ Solutions Inc.
7. ~~9.~~ Provision of Telecommunication Services Agreement between 2733182 Ontario Inc. and Cogeco Connexion Inc. dated July 9, 2024.
8. ~~10.~~ Master Services Agreement between 2161907 Alberta Ltd. And ThinkTel, a division of  
Bell Canada dated July 5, 2023.
9. ~~11.~~ Agreement(s) with Westman Communications.
10. ~~12.~~ Agreement(s) with tbaytel.
11. ~~13.~~ Assumption of Responsibilities Form between East Coast Tweed Inc. and Eastlink Business Solutions dated June 15, 2023.
12. ~~14.~~ Authorization for Change of Ownership between 14284585 Canada Inc. and Access Communications dated June 15, 2023.
13. ~~15.~~ Agreement(s) with Securitas.
14. ~~16.~~ Various Commercial Security System Agreements between 2733182 Ontario Inc. and Sonitrol Independent Franchised Dealer.
15. ~~17.~~ Monitoring Contract between OEG Retail Canada (J Supply Co) and Apex Monitoring Division dated October 25, 2023.
16. ~~18.~~ Monitoring Agreement with Liberty Security Systems Inc. dated November 20, 2022.
17. ~~19.~~ Agreement between Tokyo Smoke 450 Yonge and Solink Corporation dated January 16,

2023.

18. ~~20.~~ ~~Agreement~~ Areement between Tokyo Smoke Fennell and Solink Corporation dated March 23, 2023.
19. ~~21.~~ Agreement between Tokyo Smoke Wellington and Solink Corporation dated March 3, 2023.
20. ~~22.~~ Agreement between Tokyo Smoke 2733182 Ontario Inc. and Solink Corporation dated September 23, 2023.
21. ~~23.~~ Alarm Services Agreement between 2699078 Ontario Inc. and a.p.i. Alarm Inc. dated August 1, 2023.
22. ~~24.~~ Alarm Monitoring Service Agreements with AIM Security Systems Inc.
23. ~~25.~~ Various Merchant Application and Agreements between 2733182 Ontario Inc. and Peoples Trust and PayFacto Payments Inc.
24. ~~26.~~ Software Subscription Agreement between 2161907 Alberta Ltd. and Retail Innovation Labs, LLC (Cova) dated April 4, 2022.
25. ~~27.~~ Dutchie Dispensary Agreements between 2161907 Alberta Ltd. and Dutchie Inc.
26. ~~28.~~ Compusafe Service Agreement between 14284585 Canada Inc. and Brink's Canada Limited dated January 31, 2023.
27. ~~29.~~ Compusafe Service Agreement between 10006215 Manitoba Ltd. and Brink's Canada Limited dated January 31, 2023.
28. ~~30.~~ Compusafe Service Agreement between East Coast Tweed Inc. and Brink's Canada Limited dated January 31, 2023.
29. ~~31.~~ Facility Services Rental Service Agreement between Tokyo Smoke and Cintas dated September 2, 2020.
30. ~~32.~~ Agreement(s) with Overland Waste & Recycling.
31. ~~33.~~ Service Agreement between Tokyo Smoke and Waste Management of Canada Corporation dated January 12, 2024.
32. ~~34.~~ Alpine IQ Service Order between 2733182 Ontario Inc. and Alpine IQ Inc. dated May 13, 2024.
33. ~~35.~~ Native App Service Order between 2733182 Ontario Inc. and Alpine IQ Inc. dated May 13, 2024.
34. ~~36.~~ Agreement with Budvue Digital Signage dated November 2023 with respect to 701 Memorial Avenue, Thunder Bay.



- 35. ~~37.~~ Agreement with Budvue Digital Signage dated November 2023 with respect to 540 Arthur Street West, Thunder Bay.
- 36. ~~38.~~ Consulting and Advisory Contract between 2161907 Alberta Ltd. and Flower Shop Projects Inc. dated January 24, 2024.
- 37. ~~39.~~ Consulting and Advisory Contract between J Supply Co. and Flower Shop Projects Inc. dated January 26, 2023, assigned pursuant to the Assignment of Agreement and Consent dated October 3, 2023 among J Supply, 2708540 Ontario Corporation, and Flower Shop Projects Inc.
- 38. ~~40.~~ Agreement between 2161907 Alberta Ltd. and Prophix Software Inc. effective March 24, 2023.
- 39. ~~41.~~ Franchise Agreement between 2733181 Ontario Inc. and 2830158 Ontario Inc. effective May 16, 2021 with respect to 216 Goderich Street, Unit 3, Port Elgin.
- 40. ~~42.~~ Franchise Agreement between 2733181 Ontario Inc. and M K Patel Inc. effective September 14, 2023. with respect to 1060 Pembina HWY, Winnipeg.
- 41. ~~43.~~ Franchise Agreement between 2733181 Ontario Inc. and 11912852 Canada Inc. effective July 24, 2020 with respect to 164 Evans Avenue, Unit 1, Etobicoke.
- 42. ~~44.~~ Franchise Agreement between 2733181 Ontario Inc. and 12143003 Canada Inc. effective July 31, 2020 with respect to 1240 Commissioners Road East, London.
- 43. ~~45.~~ Franchise Agreement between 2733181 Ontario Inc. Roisa7779 Inc. effective December 21, 2022 with respect to 2375 Brimley Road, Scarborough.
- 44. ~~46.~~ Franchise Agreement between 2733181 Ontario Inc. and Buds Brotherz Inc. effective January 12, 2021 with respect to 645 Commissioners Road East, London.
- 45. ~~47.~~ Franchise Agreement between 2733181 Ontario Inc. and Saha Ventures Inc. effective August 16, 2023 with respect to 94 Bridgeport Road East, Waterloo.
- 46. ~~48.~~ Franchise Agreement between 2733181 Ontario Inc. and Tayco Ltd. Effective March 15, 2021 with respect to 2790 Princess Street, Kingston.
- 47. ~~49.~~ Franchise Agreement between 2733181 Ontario Inc. and 2758453 Ontario Inc. effective November 2, 2022 with respect to 890 Main Street East, Unit 8, Milton.
- 48. ~~50.~~ Franchise Agreement between 2733181 Ontario Inc. and 2812768 Ontario Inc. effective March 10, 2021 with respect to 1011 Princess Street, Kingston
- 49. ~~51.~~ Franchise Agreement between 2733181 Ontario Inc. and 2831307 Ontario Inc. effective May 12, 2021 with respect to 4517 Dundas Street, Unit B5, Burlington.
- 50. ~~52.~~ Franchise Agreement between 2733181 Ontario Inc. and 2798600 Ontario Ltd. effective March 6, 2021 with respect to 555 Essa Road, Barrie.

51. ~~53.~~ Franchise Agreement between 2733181 Ontario Inc. and 2758453 Ontario Inc. effective August 22, 2021 with respect to 11795 Bramalea Road, Brampton.
52. ~~54.~~ Franchise Agreement between 2733181 Ontario Inc. and 2758453 Ontario Inc. effective January 8, 2023 with respect to 14800 Yonge Street, Aurora.
53. ~~55.~~ Franchise Agreement between 2733181 Ontario Inc. and 14961706 Canada Inc. effective April 29, 2024 with respect to 420 Main Street, Cambridge.
54. ~~56.~~ Franchise Agreement between 2733181 Ontario Inc. and 1000723664 Ontario Inc. effective May 7, 2024 with respect to 75 Pinebush Road, Cambridge.
55. ~~57.~~ Franchise Agreement between 2733181 Ontario Inc. and 2779562 Ontario Inc. effective March 30, 2021 with respect to 5758 Main Street, Stouffville.
56. ~~58.~~ Franchise Agreement between 2733181 Ontario Inc. and 2743849 Ontario Inc. effective May 19, 2020 with respect to 300 Earl Grey Drive, Kanata.
57. Franchise Agreement between 2733181 Ontario Inc. and 2824718 Ontario Limited effective November 17, 2021.
58. Franchise Agreement between 2733181 Ontario Inc. and 2779562 Ontario Inc. effective March 30, 2021, as amended.

**SCHEDULE ~~1.1(bbbb)~~1.1(aaaa)**

**RETAINED LEASES**

**A. Office Lease**

- i. Lease dated September 24, 2024, between Estate of Arthur Caplan (c/o Greenwin Corp.), as landlord and TS Programs Ltd., as tenant for Suite 301, Suite 301, 14 Duncan Street, Toronto, ON.

**B. Storage Space Lease(s)**

- i. Lease dated August 30, 2024, between Koschir and Stark Limited, as landlord and TS Programs Ltd., as tenant for storage located on the first floor of #16, 1254 Plains Road, Burlington, ON.

**C. Corporate Store Material Leased Properties:**

**1. *TS201***

- i. Lease dated July 16, 2020, among Riotrin Properties (Barrhaven) Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit J009, 80 Marketplace Avenue, Ottawa, ON.
- ii. Sublease dated June 1, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**2. *TS202***

- i. Lease dated July 1, 2020, between The Eglinton Town Centre Inc., as landlord, and 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit B5, 8 Lebovic Avenue, Toronto, ON.
- ii. Sublease dated June 1, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**3. *TS204***

- i. Lease dated March 1, 2021, between Dines Plaza Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 7, 400 King Street, Oshawa.
- ii. Sublease dated October 16, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**4. *TS205***

- i. Lease dated October 7, 2019, between 2708540 Ontario Corporation and Kenny Alwyn Whent Inc., with respect to the lease of 1082 Memorial Avenue, Thunder Bay, ON.

**5. *TS206***

- i. Lease dated February 18, 2019, between JFK Holdings Inc., as landlord, Christopher Comrie, as tenant, and VQTCO Ltd., CJ Marketing Inc., Jonathan Alan Conquergood and Vu Quang Tran, as indemnifiers, with respect to the lease of Unit 6B, 666 Wonderland Road North, London, ON, as assigned by tenant to 2699078 Ontario Inc., pursuant to a Lease Assignment and Assumption Agreement dated June 7, 2019.

**6. *TS207***

- i. Lease dated February 14, 2020, between Rondun Corp., as landlord, and 2737503 Ontario Inc., as tenant, with respect to the lease of 979 Bloor Street West, Toronto, ON.
- ii. Sublease dated July 1, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**7. TS209**

- i. Lease dated October 19, 2020, between 94 Cumberland St Retail Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 2, 94 Cumberland Street, Toronto, ON.
- ii. Sublease dated March 29, 2021, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**8. TS211**

- i. Lease dated 2020 (lease signed September 9, 2020) between Scotts Real Estate Limited Partnership, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 5, 572 Arthur Street West, Thunder Bay, ON.
- ii. Sublease dated November 1, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**9. TS212**

- i. Lease dated July 1, 2020, among Waterloo Commons JV Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier with respect to the lease of Unit 665-500, 655 Erb Street West, Waterloo, ON.
- ii. Sublease dated October 23, 2020, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**10. TS214**

- i. Lease agreement dated August 28, 2019, between Lorne Fine and Chrome Real Estate LP, subsequently assigned to 2742591 Ontario Inc. per Lease Assignment Agreement dated June 19, 2020, between Lorne Fine and 2742591 Ontario Inc.

**11. TS216**

- i. Lease dated April 30, 2020, between Stephen Cochrane, as landlord, TS Wellington Inc., as tenant, with respect to the lease of Unit 101 at 1000 Wellington Street, Ottawa, ON.
- ii. Lease Amending Agreement dated May 11, 2021 among 1000 Wellington Holdings Ltd. as landlord, Steven Cochrane as tenant and TS Wellington Inc. as sub-tenant.

**12. TS218**

- i. Lease dated October 29, 2019, between EmTwo Properties Inc., as landlord, and 2737503 Ontario Inc., as tenant, and 2161807 Alberta Ltd., as indemnifier, as assigned by agreement dated July 27, 2021, with respect to the lease of 2257 Rymal Rd., Stoney Creek, ON.

**13. TS220**

- i. Lease dated December 3, 2020, between Calloway Reit (Orleans) Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit G1, 2006 Mer Bleue Road, Orleans, ON

- ii. Sublease dated March 26, 2021, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**14. TS222**

- i. Lease dated March 26, 2021, between GWL, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit BB03, 361 Mountainview Road, Georgetown, ON.
- ii. Sublease dated April 21, 2021, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**15. TS228**

- i. Lease dated March 26, 2021, between 450 Yonge Holdings Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 450 Yonge Street, Toronto, ON.
- ii. Sublease dated July 9, 2021, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**16. TS233**

- i. Lease dated September 15, 2021, between Westdale Properties, Urbanfund Corp., as landlord, and, 2737503 Ontario Inc., as tenant, with respect to the lease of Unit 4, 305 North Front, Bellville, ON. Amended by way of addendum to lease dated November 1, 2024.
- ii. Sublease dated February 7, 2022, between 2737503 Ontario Inc., as sublandlord, and 2733182 Ontario Inc., as subtenant.

**17. TS240**

- i. Lease dated October 21, 2021 between Kilbarry Holding Corporation, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 969-1007 Fennel Avenue, Hamilton, ON.

**18. JS201**

- i. Lease dated July 30, 2020, between Tom Jones & Sons Limited, as landlord, 2708540 Ontario Corporation, as tenant via Assignment Agreement of September 7, 2023, with respect to the lease of Suite 2021, 540 Arthur Street W, Thunder Bay, ON. Amended by way of addendum to lease dated October 8, 2024.

**19. JS202**

- i. Lease dated February 26, 2020, between 1013960 Ontario Limited, as landlord, 27008540 Ontario Corporation, as tenant via Assignment Agreement of September 7, 2023, with respect to the lease of Unit 2, Unit 2, 701 Memorial Ave, Thunder Bay, ON. Amended by way of addendum to lease dated October 8, 2024.

**20. RM100**

- i. Lease dated November 23, 2022, between Wilcan Holdings Ltd., as landlord, 14284585 Canada Inc., as tenant, with respect to the lease of 1450 Main St. S., Unit D011, Dauphin, MB. Amended by way of addendum to lease dated November 1, 2024.

**21. RM101**

- i. Lease dated August 20, 2018, between Skyward Holdings Ltd. as assigned to 6399020 Manitoba Ltd., as landlord, and 14284585 Canada Inc., as tenant by assignment agreement dated November 23<sup>rd</sup>, 2022, with respect to the premises located at 2705 Victoria Avenue, Brandon, MB

**22. RM102**

- i. Lease dated October 17, 2018, between 73409 Manitoba Limited, as landlord, 14284585 Canada Inc., as tenant, by assignment agreement dated November 23<sup>rd</sup>, 2022, with respect to the lease of 309 Saskatchewan Ave. E., Portage La Prairie, MB.

**23. RM104**

- i. Lease dated July 24, 2018, between Pensionfund Realty Limited, as landlord, 14284585 Canada Inc., as tenant, by assignment agreement dated November 23<sup>rd</sup>, 2022, with respect to the lease of 1592 Regent Ave. W., Unit 2, Winnipeg, MB.

**24. RM200**

- i. Lease dated August 27, 2018, between Beth Arlene Curtis and Michael Benjamin John Worthington, as landlord, 10006215 Manitoba Ltd., as tenant, and 2161907 Albert Ltd., as indemnifier, with respect to the lease of 628 18<sup>th</sup> Street, Brandon, MB.

**25. RM201**

- i. Lease dated July 24, 2019, between 3829708 Manitoba Limited, as landlord, 10006215 Manitoba Ltd., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 915 18<sup>th</sup> Street, Brandon, MB.

**26. RM202**

- i. Lease dated February 18, 2020, between 3762603 Manitoba Ltd. and JV Properties Ltd., collectively as landlord, 10006215 Manitoba Ltd., as tenant, with respect to the lease of 195 La Verendrye Blvd., Unit A, Morden, MB.

**27. RM203**

- i. Lease dated May 17, 2021, between 54 Arthur Street Inc. and 70 Arthur Street Inc., collectively as landlord, 10006215 Manitoba Ltd., as tenant, with respect to the lease of 54-70 Arthur Street., Unit 101, B004 & B005, Winnipeg, MB.

**28. RM205**

- i. Lease dated March 28, 2018, between Royal Canadian Properties Limited, as landlord, 10006215 Manitoba Ltd., as tenant, with respect to the lease of 55B Goulet Street, Winnipeg, MB. Amended by way of addendum to lease dated October 1, 2024.

**29. RM206**

- i. Lease dated May 9, 2019, between LS Properties (Crestview Shopping Centre) Inc., as landlord, 10006215 Manitoba Ltd., as tenant, with respect to the lease of 3393 Portage Avenue, Unit 150, Winnipeg, MB.

**30. RS100**

- i. Lease dated September 24, 2018, between Schwab Holdings Ltd., as landlord, 14284585 Canada Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, via Assignment Agreement of November 23, 2022, with respect to the lease of 101 Centre Street, Meadow Lake, SK. Amended by way of addendum to lease dated November 1, 2024.

**31. RS101**

- i. Lease dated September 17, 2018, between Rochdale Crossing Inc., as landlord, 14284585 Canada Inc., as tenant, via Assignment Agreement of November 16, 2022 with respect to the lease of 1919A – 8<sup>th</sup> Avenue, Unit R20, Humboldt, SK. Amended by way of addendum to lease dated November 11, 2024.

**32. RS103**

- i. Lease dated January 1, 2019, between Bison Properties Limited, as landlord, 14284585 Canada Inc., as tenant, via Assignment Agreement of November 16, 2022, with respect to the lease of 3735 East Quance, Unit B, Regina, SK.

**33. RS104**

- i. Lease dated November 23, 2018, between Rway Video Corp., as landlord, 14284585 Canada Inc., as tenant, via Assignment Agreement of November 23, 2022, with respect to the lease of 241 Broadway St. East, Fort Qu'Appelle, SK.

**34. RS106**

- i. Lease dated November 16, 2022, between First Aberdeen Properties Ltd., as landlord, 14284585 Canada Inc., as tenant, with respect to the lease of 290 Prince William Dr., Melville, SK.

**35. RN100**

- i. Lease dated July 12, 2018, between Cabot Holdings Limited, as landlord, 80694 Newfoundland and Labrador Inc., as tenant, via Assignment Agreement of August 27, 2020, with respect to the lease of 50-60 Commonwealth Ave., Unit 5, Mount Pearl, NL.

**36. RN101**

- i. Lease dated August 5, 2020, between Topsail Shipping Company Limited, as landlord, 80694 Newfoundland and Labrador Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 81 Conception Bay Highway S, Unit 3, Conception Bay, NL.

**37. RN102**

- i. Lease dated August 10, 2018, between Goose Real Estate Limited, as landlord, 80694 Newfoundland and Labrador Inc., as tenant, via Assignment Agreement of August 5, 2020, with respect to the lease of 27 Aspen Road, Happy Valley- Goose Bay, NL.

**Franchise Store Material Leased Properties:**

**1. TS102**

- i. Agreement to Lease dated May 10, 2021, among 1195117 Ontario Limited, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit A18, 300 Earl Grey Drive, Kanata, ON.
- ii. Sublease dated May 22, 2020, between 2737503 Ontario Inc., as sublandlord, and 2734849 Ontario Inc., as subtenant.

**2. TS103**

- i. Offer to Lease dated February 28, 2020 among, First Capital Holdings (Ontario) Corporation and Desjardins Financial Security Life Assurance Company, as landlord, and 2737503 Ontario Inc., as tenant, with respect to the lease of 631-645 Commissioners Road East, London, ON.
- ii. Sublease dated January 12, 2021, between 2737503 Ontario Inc., as sublandlord, and Budz Brotherz Inc., as subtenant.

**3. TS113**

- i. Offer to Lease dated February 28, 2020 among First Capital (Byron Village) Corporation and Desjardins Financial Security Life Assurance Company, as landlord, and 2737503 Ontario Inc., as tenant, with respect to the lease of Unit A01111A, 1240-1260 Commissioners Road West, London, ON.



- ii. Sublease dated September 29, 2020, between 2737503 Ontario Inc., as sublandlord, and 12143003 Canada Inc., as subtenant.

**4. TS119**

- i. Lease dated August 27, 2021 between Port Elgin Properties Inc., as landlord, and, 2737503 Ontario Inc., as tenant, with respect to the lease of Unit 3, 216 Goderich Street, Port Elgin, ON.
- ii. Sublease dated June 6, 2021, between 2737503 Ontario Inc., as sublandlord, and 2830158 Ontario Inc., as subtenant.

**5. TS120**

- i. Lease dated January 15, 2021 between 2280166 Ontario Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 5758 Main Street, Stouffville, ON.
- ii. Sublease dated March 30, 2021, between 2737503 Ontario Inc., as sublandlord, and 2779562 Ontario Inc., as subtenant.

**6. TS121**

- i. Agreement to lease dated November 18, 2020 between First Capital (Bridgeport) Corporation, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 135, 70 Bridgeport Road East, Waterloo, ON.
- ii. Sublease dated December 9, 2020, between 2737503 Ontario Inc., as sublandlord, and 2791137 Ontario Inc., as subtenant.

**7. TS130**

- i. Agreement to lease dated January 17, 2022, between First Capital (Chartwell) Corporation & First Capital Holdings (Ontario) Corporation, landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 6, 2369 Brimley Road, Scarborough, ON.
- ii. Sublease dated February 12, 2021, between 2737503 Ontario Inc., as sublandlord, and 10997480 Canada Ltd., as subtenant.

**8. TS139**

- i. Lease dated March 15, 2021 between 1138130 Ontario Limited, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 1011 Princess Street, Kingston, ON.
- ii. Sublease dated March 10, 2021, between 2737503 Ontario Inc., as sublandlord, and 2812768 Ontario Inc., as subtenant.

**9. TS140**

- i. Lease dated December 30, 2020 between Craigmore Construction Limited, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 12277 Tenth Line, Stouffville, ON.
- ii. Sublease dated March 30, 2021, between 2737503 Ontario Inc., as sublandlord, and 2779562 Ontario Inc., as subtenant.

**10. TS143**

- i. Lease dated January 26, 2021 between The Canada Life Assurance Company, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 890 Main Street, Milton, ON.
- ii. Sublease dated March 26, 2021, between 2737503 Ontario Inc., as sublandlord, and TYO Milton Inc., as subtenant, as amended October 5, 2022.

**TS147**



- i. Lease dated March 26, 2021, between Calloway Reit (Burlington) Inc. (SmartCentres), as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 3, 4515 Dundas Street, Burlington, ON.
- ii. Sublease dated May 12, 2021, between 2737503 Ontario Inc., as sublandlord, and 2831307 Ontario Inc., as subtenant.

**11. TS149**

- i. Lease dated March 30, 2021 between Calloway Reit (Barrie II) Inc., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit A002, 555 Essa Road, Barrie, ON.
- ii. Sublease dated May 6, 2021, between 2737503 Ontario Inc., as sublandlord, and 2798600 Ontario Ltd., as subtenant.

**12. TS156**

- i. Lease dated May 7, 2021 between Brampton (Northeast) Shopping Centres Limited, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 11795 Bramalea Road, Brampton, ON.
- ii. Sublease dated August 22, 2021, between 2737503 Ontario Inc., as sublandlord, and 2758453 Ontario Inc., as subtenant.

**13. TS158**

- i. Lease dated October 1, 2021 between Fiera Real Estate Core Fund LP, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of 14800 Yonge Street, Aurora, ON.
- ii. Sublease dated January 8, 2023, between 2737503 Ontario Inc., as sublandlord, and 2758453 Ontario Inc., as subtenant, as amended January 8, 2023.

**14. TS164**

- i. Lease dated October 1, 2021 between Fiera Real Estate Core Fund LP, as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 34.5, 80 Dundas Street East, Waterdown, ON.
- ii. Sublease dated November 17, 2021, between 2737503 Ontario Inc., as sublandlord, and 2824718 Ontario Limited, as subtenant.

**15. TS172**

- i. Lease dated March 31, 2021 between Canadian Tire Corporation, Limited., as landlord, 2737503 Ontario Inc., as tenant, and 2161907 Alberta Ltd., as indemnifier, with respect to the lease of Unit 105, 420 Main St., Cambridge, ON.
- ii. Sublease dated January 17, 2022, between 2737503 Ontario Inc., as sublandlord, and 1000032072 Ontario Inc., as subtenant, as amended April 29, 2024.

**SCHEDULE 2.2**  
**EXCLUDED ASSETS**

Nil.

**SCHEDULE 2.4****RETAINED LIABILITIES**

Any existing related party debt obligations~~;~~

, other than guarantee fees owed by the Company to DAK Capital Inc. in respect of DAK Capital provision of guarantees of certain amounts owing to BMO and Canopy Growth Corporation (or affiliates of BMO and Canopy Growth Corporation).

## SCHEDULE 11.2

### CLOSING SEQUENCE

- (a) First, the Purchaser shall pay the Cash Consideration to the Monitor, to be held in escrow by the Monitor on behalf of the Purchaser and the Purchaser shall release the Credit Bid ~~Releases~~Release to the Applicants and the Monitor, to be held in escrow by the Monitor on behalf of the Purchaser;
- (b) Second, ~~the Company shall be deemed to transfer to Residual Co.~~all of the Applicants' right, title and interest in and to the Excluded Assets, the Excluded Contracts, the and Excluded Liabilities shall vest absolutely and exclusively in, ResidualCo, , and all of the Applicants' respective assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate, including property held in trust for the Applicants (the "Applicants' Property"), shall be forever released and discharged from such Excluded Assets and Excluded Liabilities and the Excluded Leases, all related Claims and all Encumbrances (other than Permitted Encumbrances) affecting or relating to the Applicants' Property are to be expunged and discharged as against the Applicants' Property, all pursuant to the Approval and Reverse Vesting Order;
- ~~(c) Third, the Retained Assets will be retained by the applicable Purchased Entities, in each case free and clear of and from any and all Claims and, for greater certainty, all of the Encumbrances, other than Permitted Encumbrances, affecting or relating to the Retained Assets are hereby expunged and discharged as against the Retained Assets, and the Retained Liabilities will be retained by the applicable Purchased Entities;~~
- ~~(d) Fourth, Equity Interests of the Applicants (other than the Existing Shares which will be cancelled in accordance with the Articles of Reorganization or otherwise retained as a Retained Asset) as well as any agreement, Contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Applicants shall be deemed terminated and cancelled for no consideration;~~
- (c) Third, 2197130 Alberta Ltd. shall file Articles of Continuance to continue the corporation as an Ontario incorporated company ("New Ontario Co");
- (d) Fourth, the Company shall transfer all of the issued and outstanding shares held by it in 2826475 Ontario Inc. to 2733182 Ontario Inc. in exchange for 100 common shares of 2733182 Ontario Inc. such that 2826475 Ontario Inc. shall become a wholly owned subsidiary of 2733182 Ontario Inc.;
- (e) Fifth, 14284585 Canada Inc. shall transfer all of the issued and outstanding shares held by it in each of 10006215 Manitoba Ltd. and 80694 Newfoundland &

*[Different first page link-to-previous setting changed from off in original to on in modified.]*

Labrador Inc. to 267 Ontario such that 10006215 Manitoba Ltd and 80694 Newfoundland & Labrador Inc. shall become wholly owned subsidiaries of the Company;

- (f) Sixth, 2733182 Ontario Inc. and its wholly owned subsidiaries - 2826475 Ontario Inc., New Ontario Co (formerly 2197130 Alberta Ltd.), 2699078 Ontario Inc., 2708540 Ontario Corporation, 2734082 Ontario Inc., TS Wellington Inc., 2742591 Ontario Inc., 2796279 Ontario Inc. - shall amalgamate to form one entity (“**Amalco 1**”) and the constating documents of Amalco 1, including without limitation, the Articles of Amalgamation and by-laws of Amalco 1 shall remain in effect after the date hereof;
- (g) Seventh, 2161907 Alberta Ltd. shall have filed Articles of Continuance to continue the corporation as an Ontario incorporated company (“**New Ontario Co 2**”);
- (h) Eighth, the Company and its wholly owned subsidiary – New Ontario Co 2 (formerly, 2161907 Alberta Ltd.) – will amalgamate to form one entity (“**Amalco 2**”);
- (i) ~~(e) Fifth~~Ninth, the following shall occur concurrently in consideration for the Purchase Price:
  - (i) ~~the Company~~Amalco 2 shall issue the Purchased Shares to the Purchaser, and all of the right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of any and all Claims and Encumbrances;
  - (ii) the Cash Consideration and the Credit Bid ~~Releases~~Release will be released from escrow;
  - (iii) the outstanding indebtedness under the DIP Term Sheet shall be retained as indebtedness of the Purchased Entities and evidenced under the TS Investments Grid Note;
  - (iv) ~~(iii)~~the Monitor shall retain the Administrative Expense Amount in a separate interest-bearing account from the Cash Consideration; and
  - (v) ~~(iv)~~the Monitor shall release the remaining amount of the Cash Consideration to the Company and the Company shall pay the Cure Costs and the Priority Payment Amounts to the applicable payees thereof; ~~and~~
- ~~(f) Sixth, the Articles of Reorganization will be filed and be effective.~~
- (j) Tenth, the Articles of Reorganization in respect of Amalco 2 will be filed or deemed to be filed if determined necessary by the Purchaser. If no Articles of Reorganization are filed, then constating documents of Amalco 2, including without limitation, the Articles of Amalgamation and by-laws of Amalco 2 shall remain in effect after the date hereof; and

- (k) Eleventh, all of the Existing Shares of Amalco 2 outstanding prior to the issuance of the Purchased Shares, as well as all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person which are convertible or exchangeable for any securities of Amalco 2 or which require the issuance, sale or transfer by Amalco 2, of any shares or other securities of the Applicants and/or the share capital of Amalco 2, or otherwise relating thereto, shall be deemed terminated and cancelled without consideration and the only equity interests of Amalco 2 that shall remain issued and outstanding after the date hereof shall be the Purchased Shares.

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

Court File No. CV-24-00726584-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 2675970 ONTARIO INC., et al.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at Toronto

SUPPLEMENTAL AFFIDAVIT OF ANDREW  
WILLIAMS  
(Sworn November 26, 2024)

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Lawyers for the Applicants

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF 2675970 ONTARIO INC. et al.

Applicants

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

Proceedings commenced at Toronto

**SUPPLEMENTAL MOTION RECORD OF  
THE APPLICANT**  
(returnable November 28, 2024)

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