



This is the 1st Affidavit
of Marlin Tobias in this case
and was made on November 13, 2024

District of British Columbia
Division No.: 04-Vernon
Court No.: VER-S-B-58732
Estate No.: 11-3145114
Vernon Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF CANNGROUP DEVELOPMENT CORP.

AFFIDAVIT

I, Marlin Kirby Tobias, of 509 Holly Avenue, Sicamous, BC V0E 2V1, Businessman,
SWEAR, THAT:

1. I am the chief executive officer, president and a director of CannGroup Development Corp. ("**CannGroup**") and as such have personal knowledge of the facts hereinafter deposed to except where stated to be on information and belief, in which case I verily believe them to be true. I am authorized to swear this affidavit of behalf of CannGroup. All dollar amounts referenced herein are expressed in Canadian Dollars unless otherwise indicated.
2. I swear this affidavit in support of CannGroup's application for orders:
 - (a) approving the purchase and sale of the Lands (as defined below) to Brandt Rock Investments Corporation (the "**Purchaser**");
 - (b) authorizing and directing CannGroup to distribute from the net proceeds of sale of the Lands the amount owing to Builder's Capital Mortgage Corp. ("**Builder's Capital**") and secured under its mortgage of the Lands;
 - (c) creating a charge (the "**Administration Charge**") on the assets, property and undertakings of CannGroup as security for the collective fees and disbursements

of: (i) Crowe MacKay & Company Ltd. (the “**Proposal Trustee**”), (ii) counsel for the Proposal Trustee, and (iii) counsel for CannGroup;

- (d) extending the time for CannGroup to file a proposal to January 7, 2025; and
- (e) transferring the NOI Proceedings (as defined below) to Vancouver.

A. OVERVIEW

3. CannGroup is a licensed cannabis producer and distribution company that, when it was operating, specialized in premium cannabis products.

4. On October 25, 2024, CannGroup filed a Notice of Intention to Make a Proposal (the “**NOI**”, and the proceedings commenced pursuant to the NOI, the “**NOI Proceedings**”) under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and appointed the Proposal Trustee. Attached hereto and marked as **Exhibit “A”** is a copy of the NOI certificate.

5. CannGroup filed the NOI as a result of significant and unresolvable liquidity constraints, having operated at a loss for several years. CannGroup’s financial difficulties resulted from, among other things, negative investor sentiment toward cannabis, limited access to investment capital, market competition, and substantial regulatory compliance burdens.

6. As I will describe in greater detail below, CannGroup made significant efforts to solicit third-party investments or sell its operations in order to pay its outstanding debts without success. In or around October 18, 2024, CannGroup ceased carrying on business and took steps to sell its remaining inventory, leaving it with only the Lands and some small amounts of cash and accounts receivable.

7. In or around October 2024, CannGroup managed to conclude terms for the sale of the Lands to the Purchaser, and on November 7, 2024 entered into an agreement with the Purchaser for the purchase and sale of the Lands, which is subject only to court approval. The sale of the Lands, if approved, will enable CannGroup to repay some of its secured creditors. CannGroup initiated these NOI Proceedings, in part, in order to effect a sale of the Lands to the Purchaser.

B. CANNGROUP

8. CannGroup is a privately held company incorporated pursuant to the laws of British Columbia. It maintains its registered office in Kelowna, British Columbia. Attached hereto and marked as **Exhibit "B"** is a copy of a B.C. company summary in respect of CannGroup.

9. CannGroup started in 2017 with a goal of cultivating bulk cannabis. It purchased a horse barn on 36-acres of land in December 15, 2017 and retrofitted it into a state of the art, multi-level cannabis production facility (the "**Facility**"), thereafter pivoting its operations to be a full service cannabis growth and extraction company.

10. CannGroup's current officers and directors are as follows:

- (a) Marlin Kirby Tobias (director, chief executive officer and president);
- (b) Nicole Chetwynd (director and chief financial officer);
- (c) Carleen Mary Roth (director and officer); and
- (d) Dennis Benedict Roth (director).

11. CannGroup has no employees. All personnel who currently provide services to CannGroup, including the directors and officers, are independent contractors. CannGroup terminated its former employees on or about April 22, 2024.

B. ASSETS

12. CannGroup's only assets consist of cash in the amount of \$305.59, the Lands and Facility, and amounts payable to it from the sale of inventory. CannGroup also holds a site-specific cannabis-production license and an excise license which will expire in July 2027 and November 15, 2024, respectively, and, in any event, do not have any value.

The Facility

13. The Facility is located on certain lands owned by CannGroup located at 56 Hadow Road, Enderby, British Columbia, and legally described as follows:

PID: 012-818-526

THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741

(the "**Lands**").

14. CannGroup acquired the Lands in or about December 15, 2017. The purchase price for the Lands at that time was \$700,000.

15. Attached hereto and marked as **Exhibit "C"** is a copy of the results of a Land Title Office search of the Lands performed on October 29, 2024.

16. The Facility includes approximately 24,000 square-feet of indoor production-licensed area, which includes three flowering rooms comprising 4,800 square-feet for indoor plant growing, plus three labs comprising approximately 3,200 square-feet for hydro-carbon processing, plus additional vegging, mothering and cloning rooms.

17. In addition, the Facility includes eight greenhouses situate on 30 acres of designated Agricultural Land Reserves ("**ALR**"). The outdoor grow area is approximately three acres with the potential to be expanded to approximately 20 acres and is licensed for cannabis production--.

18. In total, the Facility has the capacity to produce approximately 1.5 million grams of dried flowers indoors per year, 1.2 million grams of flowers outdoors per year, and 200 kilograms of CBD isolate per month.

19. As set out in further detail below, CannGroup has entered into an agreement for the purchase and sale of the Lands for \$3,700,000.00, which I believe to be the best possible purchase price in the circumstances.

The Inventory

20. On or about September 18, 2024, CannGroup entered into an agreement with 1235009 B.C. Ltd., doing business as FN Canna ("**FN Canna**") pursuant to which CannGroup sold its remaining cannabis inventory (the "**Inventory**") to FN Canna in exchange for a portion of the sale proceeds to be paid once FN Canna sold the Inventory.

21. According to the books and records of CannGroup, which I believe are accurate, the Inventory has an aggregate fair market value of approximately \$152,402, and a book value of \$81,099.30. The Inventory includes, but is not limited to, hash, CBD isolate, certain resin, and distillate.

22. CannGroup expects to receive the sale proceeds from FN Canna within the next three to six months, but is negotiating to obtain the proceeds sooner.

23. CannGroup has destroyed or sold all other inventory. As of the date of this affidavit, CannGroup does not possess or own any cannabis or cannabis products.

The Licenses

24. On July 26, 2019, Health Canada issued a cannabis license to CannGroup permitting it to, among other things, possess, cultivate, produce, and sell cannabis inside and outside of the Facility. Attached hereto and marked as **Exhibit "D"** is a copy of the cannabis license, which is set to expire on July 26, 2027.

25. CannGroup holds an excise license under the *Excise Act*, which is set to expire on November 15, 2024 (the "**Excise License**"). Attached hereto and marked as **Exhibit "E"** is a copy of the letter dated October 16, 2024 regarding the expiry of the Excise License.

26. CannGroup does not intend to renew the Excise License as all of its inventory has been de-excised and CannGroup has destroyed all remaining excise stamps.

C. LIABILITIES OF CANNGROUP

27. As of October 24, 2024, the principal outstanding indebtedness of CannGroup, on a consolidated basis of all creditors with claims of \$250 or more, was approximately \$6,811,724.86, as shown in the list of creditors in the NOI, a copy of which is attached hereto and marked as **Exhibit “F”**.

28. The unsecured debt primarily consists of amounts due and owing to various trade vendors of CannGroup arising in the normal course of business.

29. Attached hereto and marked as **Exhibit “G”** is a copy of a search results of the British Columbia Personal Property Registry (the “PPR”) as of October 29, 2024. A copy of the Land Titles Office search for the Lands is attached as Exhibit “C”.

30. The following parties have registered interests against the Lands or against CannGroup in the PPR:

Date of Registration	Secured Creditor	Nature of Registration	Amount of Indebtedness	Date of Calculation
January 17, 2020	Meridian Onecap Credit Corp.	2020 Bobcat S650 (PPR)	N/A (Paid)	N/A
June 15, 2020	Diamond Concentrates Inc.	All laboratory equipment leased (PPR)	N/A (Paid)	N/A
April 27, 2021/ April 28, 2021	Builder’s Capital	All present and after-acquired personal property (PPR) and Mortgage and Assignment of Rents	\$1,583,835.36	November 8, 2024
April 19, 2022	Salt Capital Inc.	All present and after-acquired personal property (PPR)	N/A (Paid)	N/A

November 16, 2022	Stoke Canada Finance Corp.	Receivables	N/A (Paid)	N/A
July 22, 2022	Allan Chabon	Judgment and Certificate of Pending Litigation	N/A (Paid)	N/A
January 3, 2023/ January 30, 2023	Marlin Tobias and Carleen Roth, as joint tenants	All present and after-acquired personal property and Ford F-350 and a Crystallized Floating Charge (Shareholder Loan)	\$858,583.61	October 24, 2022
March 9, 2023	Collin Roth	All present and after-acquired personal property and a Crystallized Floating Charge (Shareholder Loan)	\$150,400.00	October 24, 2022
September 12, 2023	The Crown in Right of British Columbia	Crown Lien and all present and after-acquired personal property (Employer Health Tax Act)	\$48,141.26	October 24, 2022
March 28, 2024	His Majesty the King in Right of Canada	Judgment (GST)	\$291,978.56	October 24, 2024
March 28, 2024	His Majesty the King in Right of Canada	Judgment (Source Deductions)	\$279,402.89	October 24, 2024

July 5, 2024	His Majesty the King in Right of Canada	Judgment (Excise Tax)	\$1,352,188.14	October 24, 2024
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Indebtedness to Builder's Capital

31. On or about April 26, 2021, CannGroup and Builder's Capital entered into a loan agreement, pursuant to which Builder's Capital agreed to advance up to \$1,800,000.00 to CannGroup (the "**Builder's Capital Loan**").

32. According to the commitment letter for the Builder's Capital Loan, a copy of which is attached hereto and marked as **Exhibit "H"**, the Builder's Capital Loan is secured by, among other things, a first charge collateral mortgage on the Lands and an assignment of rents, and a security interest in all lights, mechanical and electrical equipment and all licenses under the *Cannabis Act* or Regulations.

33. As of November 8, 2024, Builder's Capital was currently owed \$1,583,835.36, and interest continues to accrue at the rate of 14% per annum.

Indebtedness to Carleen and Marlin Tobias

34. On or about December 31, 2021, Carleen Roth and I entered into an agreement with CannGroup, whereby we loaned the aggregate principal amount of \$520,142.89 to CannGroup and CannGroup agreed to, among other things, make monthly interest payments until the principal is repaid and repay all outstanding amounts within 60 days of demand (the "**Shareholder Loan**"). Attached hereto and marked as **Exhibit "I"** is a copy of the Promissory Note dated December 31, 2021, which sets out the terms of the Shareholder Loan.

35. On or about July 4, 2022, CannGroup executed a general security agreement in favour of Carleen Roth and me, including a crystalized floating charge against the Lands and a security interest in all of CannGroup's personal property in favour of Carleen Roth and me, as security for its obligations under the Shareholder Loan. Attached hereto and marked as **Exhibit "J"** is a copy of the crystalized floating charge registered against the Lands by Carleen Roth and me, as joint tenants, which attaches a copy of the General Security Agreement dated July 4, 2022.

Indebtedness to Allan Chabon

36. On June 24, 2022, Allan Chabon obtained default judgment against CannGroup in the amount of \$80,853.25, plus interest and costs, which judgment was registered against the Lands on July 22, 2022. On November 4, 2022, Allan Chabon garnished CannGroup's bank accounts, withdrawing a total of \$80,179.88, in satisfaction of CannGroup's indebtedness to him. Attached hereto and marked as **Exhibit "K"** is a copy of the default judgment registered against the Lands in favour of Allan Chabon.

Outstanding Taxes

37. As of October 24, 2024, CannGroup was indebted to His Majesty the King in Right of Canada in the amount of \$1,352,188.14 for outstanding excise taxes, and \$279,402.89 for outstanding source deductions and \$291,978.56 for GST after interest relief was obtained. Collectively attached hereto and marked as **Exhibit "L"** are copies of the judgments registered in favour of His Majesty the King in Right of Canada against the Lands.

38. CannGroup is liable for the outstanding excise taxes as a result of an agreement between CannGroup and James E. Wagner Cultivation Corporation ("**J. Wagner**") entered into around December 2022 (the "**Sales Agreement**"). Pursuant to the Sales Agreement, CannGroup agreed to produce, package and supply certain products to J. Wagner, who was responsible for selling such products to various provinces. Although J. Wagner was required to remit 85% of the sales revenue back to CannGroup under the Sales Agreement, J. Wagner only sent about 50%, and eventually went into creditor protection under the *Companies' Creditors Arrangement Act*, and then went bankrupt. Since the products had CannGroup's excise stamps, the Canada Revenue Agency held CannGroup responsible for the excise tax and GST.

39. As of October 24, 2024, CannGroup was indebted to the Provincial Government in the amount of \$48,141.26 for outstanding Employer Health Tax payments. Attached hereto and marked as **Exhibit "M"** is a copy of the lien registered in favour of the Crown in Right of British Columbia against the Lands.

D. CAUSES OF INSOLVENCY

40. CannGroup faced significant financial difficulties due to a series of setbacks. After SNDL Inc. reneged on a long-term purchase agreement in 2018, CannGroup began to experience financial instability despite receiving a settlement and refinancing from Builder's Capital.

41. CannGroup's financial instability was the result of, among other things, pivoting its operations from growing flowers to producing extracts, significant market price reductions for cannabis products, difficulty accessing investment capital, substantial regulatory compliance burdens and fees, increased market competition from the legalization of recreational cannabis, and significant excise tax burdens imposed on the sale of cannabis products pursuant to the *Excise Act, 2001*, SC 2002, c 22.

E. PRE-FILING SALES PROCESS

42. Efforts to find equity partners or buyers from 2021 to 2023 were unsuccessful, with multiple potential deals falling through. The following is a summary of the company's efforts to consummate an investment or sales transaction since 2021

- (a) In or around April 2021, on behalf of CannGroup, I approached Kambeitz Farms 1899 Ltd., large hemp producers in Saskatchewan, for an investment, but was unsuccessful.
- (b) In or around July 2021, on behalf of CannGroup, I approached Michael Arnkvam, the chief operating officer of MPXI Canada, a publicly traded company that was looking to divest its cannabis investments, but did not conclude a transaction.
- (c) In or around September 2021, on behalf of CannGroup, I approached two public companies – Avant Brands Inc. and CanadaBis Capital Inc. – but these discussions did not result in an investment because of, among other reasons, CannGroup's lack of sales history and contracts.
- (d) In or around February 2022, CannGroup was approached by Carmen Bruno on behalf of Aleutian Capital Partners, LLC, a private equity investment group, but these discussions did not result in a contract.

- (e) In or around late February 2022, on behalf of CannGroup, I approached Vibe Growth Corp., a California-based cannabis retailer in the business of acquiring cannabis dispensaries, but these discussions did not progress to an agreement.
- (f) In or around May 2022, on behalf of CannGroup, I re-approached SNDL Inc., but SNDL Inc. declined to enter into an agreement for equity financing.
- (g) In or around June 2022, on behalf of CannGroup, I re-approached Les Entreprises Greentone Inc., a Quebec-based cannabis grower with significant sales, but was unable to conclude an acceptable deal.
- (h) In or around August 2022, on behalf of CannGroup, I approached Folium Biosciences LLC, a large U.S.-based cannabis company looking to enter the market in Medicine Hat, Alberta, but was unable to conclude a transaction.
- (i) In or around August 2022, I met with Derek Ham of Canaccord Capital with a view to go public and garner financing, and was told that there was currently no investment in cannabis happening;
- (j) In or around September 2022, on behalf of CannGroup, I listed the company on several crowd-funding websites, including EquityNet, and receive numerous inquiries, none of which appeared to be legitimate.
- (k) In or around October 2022, on behalf of CannGroup, I engaged in discussions with Matt Chadwick, chief executive officer of a European CBD extraction company, and Mike Diamond, a broker, regarding a potential sale of the Facility, but neither resulted in an agreement.
- (l) In or around December 2022, on behalf of CannGroup, I engaged Hyde Advisory & Investments, a global cannabis business broker, to assist with the sale of CannGroup as a going-concern for a sale price of \$6 million. However, CannGroup had started to accumulate significant tax debts by this point, which deterred many prospective purchasers.

- (m) In or around March 2023, on behalf of CannGroup, I engaged in discussions with Greg Lambrecht of 1606 Corp., a U.S. based CBD extraction company that was expanding its operations, but was unable to conclude a transaction.
- (n) From Sept 2022 to April 2023, I engaged in discussions about the sale of the Facility or the issued and outstanding shares of CannGroup to Dymond Concentrates, a company that was using the Facility to produce its own products, but it declined as a result of CannGroup's significant debts.
- (o) In or around April 2023, on behalf of CannGroup, I engaged in discussions with Sonny Bhayana, on behalf of Empire of the Sun Cannabis Co., who had expressed interest in purchasing the Facility and had previously purchased the assets of SpeakEasy Cannabis in Rock Creek. Unfortunately, the parties were unable to come to an agreement.
- (p) In or around May 2023, on behalf of CannGroup, I engaged in discussions with Graeme Magee of Century 21 Executives Realty Ltd. to list the Lands. However, he proposed a listing price of \$3,500,000, and CannGroup believed it could obtain a higher price, so it did not enter into a listing agreement.
- (q) Later in May 2023, CannGroup entered into a letter of intent with Joint Venture Craft Cannabis Inc. ("JVCC") to rent the Facility to JVCC for \$30,000 per month, and granting JVCC an option to purchase the Lands for \$3,000,000. The parties were unable to consummate a deal.
- (r) Around May 2023, Mitch Helten presented an offer for a non-cash takeover of CannGroup, which CannGroup rejected because it would not resolve its accumulating debts.
- (s) In or around September 2023, on behalf of CannGroup, I entered into discussions with Blue Sky Hemp Ventures Ltd. and Luke Deering to rent the Facility or purchase the Lands, but these discussions did not progress to a deal.

- (t) In or around October 2023, CannGroup entered into a lease agreement with Royal Harvest Craft Cannabis to rent three rooms in the Facility for \$10,000 per month, with an option to purchase the Lands for \$4,000,000. By the end of March 2024, Royal Harvest terminated the lease agreement due to a lack of sales on their part.

Recent Efforts to Sell the Lands

43. CannGroup determined that a further sales process should be run in the form of an email campaign to sell the Lands for the benefit of CannGroup's creditors. CannGroup took a broad approach by compiling a mass list of cannabis industry contacts in Canada and the U.S. that it obtained from, among other sources, attendance lists at cannabis trade shows.

44. In or around April 24, 2024, CannGroup sent a first tranche of emails to these industry contacts with a view of selling the Lands for \$4,200,000. In particular, an email was sent to 634 contacts that attached a teaser presentation of the Facility, a copy of which is attached hereto and marked as **Exhibit "N"** (the "**Teaser**").

45. Although CannGroup used the Facility for the production of cannabis, the Facility was suitable for operations involving indoor micro green productions, outdoor food productions, cold storage, distillation or micro brewing, and packaging. Accordingly, in or around August 2024, the Teaser was amended slightly to target prospective purchasers in the food-production business, and CannGroup sent the revised Teaser by email to approximately 10,000 additional contacts.

46. As a result of the above-noted email campaign, CannGroup received inquiries or expressions of interest from the following companies and individuals, none of which resulted in an offer or a viable transaction:

- (a) Ryan Ko on behalf of NextLeaf Labs Ltd.;
- (b) Martin Doane, formerly of Leviathon Cannabis;
- (c) Todd Scarlett on behalf of FN Canna;
- (d) David Lynn, on behalf of Avant Brands Inc.;

- (e) Emad Ghadimi on behalf of Axea Cannabis;
- (f) Fabrizio on behalf of Trygg Collective;
- (g) Mareike Klem on behalf of Joint Venture Craft Cannabis Inc.;
- (h) Len George;
- (i) Nathan Friesen on behalf of H.E.M.P. Ltd.;
- (j) Corey Clayton on behalf of Endless Sky Inc.;
- (k) Jamie Phillipuzi on behalf of Way 2 Grow;
- (l) Kyle Morley on behalf of Peacecanna;
- (m) Taz Cheema on behalf of a group that recently purchased Tantalus Labs Ltd.; and
- (n) Patrick Trask and Sam of SnoCapital, who toured the Facility.

Engagement of a Realtor

47. On or about July 3, 2024, CannGroup entered into a listing agreement with Nick Renton of William Wright Commercial (the "**Realtor**") to market and sell the Lands (the "**Listing Agreement**"). Pursuant to the Listing Agreement, the Lands were listed on the multiple listing service for \$3,900,000.

48. In my opinion, the Listing Agreement represented the best option available to CannGroup to obtain cash to pay off its creditors, taking into account the surrounding circumstances and limited resources available to CannGroup at the time.

49. Collectively attached hereto and marked as **Exhibit "O"** is a copy of the Listing Agreement and an agreement dated July 5, 2024 between CannGroup and the Realtor confirming that a set commission fee would be payable to the Realtor if the Lands were sold to certain prospective purchasers that CannGroup had previously contacted.

50. Attached hereto and marked as **Exhibit "P"** is a copy of the marketing and listing summary that describes the Realtor's efforts to market and sell the Lands pursuant to the Listing Agreement (the "**Marketing Summary**").

51. As described in the Marketing Summary, on:

- (a) July 3, 2024, the Realtor listed the Lands and began sending targeted emails to industry specific groups that may have an interest in the Facility; and
- (b) July 31, 2024, the Realtor activated the brokerage's "full marketing release" that included email, social media, podcast, and direct mail out, and attracted thousands of views.

52. The Realtor identified the following key challenges in the Marketing Summary with respect to showings and site demand:

- (a) The ALR site restrictions prevented most preferred uses of the buildings and its operations outside of cannabis and indoor extraction/cultivation.
- (b) Due to the site restrictions, financing and available capital is not readily available to most groups that could benefit from the purpose-built use.
- (c) The location of the property, which is near direct transportation routes, is considered rural and underserved for most larger distribution channels.
- (d) There is currently a stigma associated with cannabis and related industries, and most groups that inquired indicated that they will "wait for additional market volatility to settle".

Results of the Sales Process

53. The only party to submit a formal offer to purchase the Lands was the Purchaser for a purchase price of \$3,700,000 (the "**Purchase Price**"). A copy of the Offer to Purchase and Agreement of Purchase and Sale is attached hereto and marked as **Exhibit "Q"** (the "**Purchase Agreement**").

54. The Purchase Agreement is conditional on the issuance of an approval and vesting order from the Supreme Court of British Columbia, and contemplates (the "**Transaction**"):

- (a) a deposit in the amount of \$500,000 payable to CannGroup within two business days' notice of the date scheduled for court-approval; and
- (b) a completion date of December 16, 2024.

55. In my opinion, the purchase price for the Lands is appropriate in the circumstances. The Purchase Price exceeds the 2024 assessed value of the Lands, which is \$3,520,200. Attached hereto and marked as **Exhibit "R"** is a copy of a printout from B.C. Assessment regarding the Lands.

56. The Purchaser is an arm's length party and is not related to CannGroup.

57. I am advised by Derek Lai of the Proposal Trustee that the Proposal Trustee approves.

58. I do not believe any creditors will be prejudiced by the Transaction, and, in fact, this is the best recovery possible for CannGroup's creditors in the circumstances.

59. I believe that CannGroup is acting in good faith and with due diligence to bring this application to, among other things, approve the Transaction contemplated by the Purchase Agreement, being the only offer received by CannGroup.

F. ADMINISTRATION CHARGE

60. CannGroup is seeking a first ranking Administration Charge on all the assets, property and undertakings of CannGroup in the maximum amount of \$150,000 to secure the fees and disbursements of CannGroup's legal counsel, the Proposal Trustee, and its own independent legal counsel, incurred in connection with the services rendered to CannGroup both before and after the filing of the NOI.

61. CannGroup has paid retainers to the Proposal Trustee and CannGroup's legal counsel, Fasken Martineau DuMoulin LLP, in the amounts of \$35,000 and approximately \$25,000, respectively. Our CFO, Ms. Nicole Chetwynd worked with the Proposal Trustee to prepare a

cashflow forecast for CannGroup, which includes estimates as to the professional fees to be incurred by CannGroup through to the completion of the Transaction and the Proposal Proceedings. Those fees exceed the amounts of the retainers by a significant amount. Accordingly, CannGroup is seeking to secure the fees of the professionals against its assets (being primarily the Lands) such that they can be paid from the proceeds of sale once the Transaction completes. From working with the Proposal Trustee, I believe the proposed quantum of the Administration Charge is appropriate considering the services to be provided by the beneficiaries of the Administration Charge.

62. I believe that the Administration Charge is necessary to ensure CannGroup can retain and pay the professionals required to assist in the implementation of the Proposal Proceedings and complete the Transaction, including to obtain court approval of same.

G. EXTENSION OF STAY OF PROCEEDINGS

63. I understand that the initial stay period in the NOI Proceedings is from October 25, 2024 to November 23, 2024 (the "**Initial Stay Period**").

64. CannGroup seeks an extension of the Initial Stay Period by an additional 45 days to January 7, 2025 to allow CannGroup to, among other things, complete the Transaction, receive sale proceeds from FN Canna from the sale of the Inventory, and formulate and seek court approval of a distribution plan for the net proceeds arising from the Transaction.

65. I am not aware of any creditors who would be prejudiced by an extension of the stay of proceedings until January 7, 2025. The cash flow forecast prepared by CannGroup, with the assistance of the Proposal Trustee, a copy of which is to be filed along with a report from the Proposal Trustee reflects that CannGroup will have sufficient liquidity to meet its obligations, including its restructuring costs throughout the proposed extension of the stay of proceedings (provided that the Administration Charge is granted).

H. TRANSFER TO VANCOUVER

66. CannGroup's counsel, the Proposal Trustee and counsel for the Proposal Trustee are all located in Vancouver, B.C. To save on travel expenses and time, I believe it is in the best interests of CannGroup and its stakeholders to have the NOI Proceedings transferred to Vancouver.

ZS SWORN BEFORE ME at ~~Vancouver~~^{Salmon Arm},
British Columbia, on November 13, 2024.



A Commissioner for taking Affidavits for
British Columbia



MARLIN TOBIAS

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 – 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883

District of British Columbia
Division No.: 04-Vernon
Court No.: 11-3145114
Estate No.: 11-3145114
Vernon Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF CANNING
DEVELOPMENT CORP.

AFFIDAVIT OF MARLIN TOBIAS

FASKEN MARTINEAU DuMOULIN LLP

Barristers and Solicitors
550 Burrard Street, Suite 2900
Vancouver, BC, V6C 0A3
+1 604 631 3131

Counsel: Kibben Jackson
E-mail: kjackson@fasken.com
Matter No: 339917.00001

This is Exhibit "A" referred to in the affidavit of **Marlin Tobias** sworn before me at **Salmon Arm** this **13** day of **November 20, 24**



A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

Court File No. **VER-S-B-58732**

District of British Columbia
Division No. 04 - Vernon
Court No. 11-3145114
Estate No. 11-3145114



In the Matter of the Notice of Intention to make a proposal of:

CannGroup Development Corp.

Insolvent Person

CROWE MACKAY & COMPANY LTD

Licensed Insolvency Trustee

Date of the Notice of Intention:

October 24, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL

Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: October 25, 2024, 17:16

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

This is Exhibit * **B** * referred to in the af-
fidavit of **Marlin Tobias**
sworn before me at **Salmon Arm**
this **13** day of **November 20 24**



A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 – 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883



BC Company Summary

For CANNGROUP DEVELOPMENT CORP.

Date and Time of Search: October 04, 2024 09:34 AM Pacific Time
Currency Date: June 19, 2024

ACTIVE

Incorporation Number: BC1130267
Name of Company: CANNGROUP DEVELOPMENT CORP.
Business Number: 799399688 BC0001
Recognition Date and Time: Incorporated on August 15, 2017 09:51 AM Pacific Time **In Liquidation:** No
Last Annual Report Filed: August 15, 2022 **Receiver:** No

COMPANY NAME INFORMATION

Previous Company Name	Date of Company Name Change
1130267 B.C. LTD.	September 25, 2017

REGISTERED OFFICE INFORMATION

Mailing Address:	Delivery Address:
301 - 2706 30 AVENUE VERNON BC V1T 2B6 CANADA	301 - 2706 30 AVENUE VERNON BC V1T 2B6 CANADA

RECORDS OFFICE INFORMATION

Mailing Address:	Delivery Address:
301 - 2706 30 AVENUE VERNON BC V1T 2B6 CANADA	301 - 2706 30 AVENUE VERNON BC V1T 2B6 CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
 Chetwynd, Nicole

Mailing Address:	Delivery Address:
604 - 233 KINGSWAY VANCOUVER BC V5T 3J5 CANADA	604 - 233 KINGSWAY VANCOUVER BC V5T 3J5 CANADA

Last Name, First Name, Middle Name:

ROTH, CARLEEN MARY (formerly LAY, CARLEEN MARY)

Mailing Address:152 N ABERDEEN ROAD
COLDSTREAM BC V1B 3B6
CANADA**Delivery Address:**152 N ABERDEEN ROAD
COLDSTREAM BC V1B 3B6
CANADA**Last Name, First Name, Middle Name:**

Roth, Dennis Benedict

Mailing Address:20207 5TH AVE SW
EDMONTON AB T6M 2P4
CANADA**Delivery Address:**20207 5TH AVE SW
EDMONTON AB T6M 2P4
CANADA**Last Name, First Name, Middle Name:**

Tobias, Marlin Kirby

Mailing Address:152 N ABERDEEN ROAD
COLDSTREAM BC V1B 3B6
CANADA**Delivery Address:**152 N ABERDEEN ROAD
COLDSTREAM BC V1B 3B6
CANADA**OFFICER INFORMATION AS AT August 15, 2022****Last Name, First Name, Middle Name:**

Chetwynd, Nicole

Office(s) Held: (CFO)**Mailing Address:**604 - 233 KINGSWAY
VANCOUVER BC V5T 3J5
CANADA**Delivery Address:**604 - 233 KINGSWAY
VANCOUVER BC V5T 3J5
CANADA**Last Name, First Name, Middle Name:**

Elser, James Barton

Office(s) Held: (Other Office(s))**Mailing Address:**1442 RICHMOND ST
KELOWNA BC V1Y 3T1
CANADA**Delivery Address:**1442 RICHMOND ST
KELOWNA BC V1Y 3T1
CANADA**Last Name, First Name, Middle Name:**Roth, Carleen Mary
formerly Lay, Carleen Mary**Office(s) Held:** (Other Office(s))**Mailing Address:**152 NORTH ABERDEEN ROAD
COLDSTREAM BC V1B 3B6
CANADA**Delivery Address:**152 NORTH ABERDEEN ROAD
COLDSTREAM BC V1B 3B6
CANADA

Last Name, First Name, Middle Name:

Tobias, Marlin Kirby

Office(s) Held: (CEO, President)**Mailing Address:**152 N ABERDEEN ROAD
COLDSTREAM BC V1B 3B6
CANADA**Delivery Address:**152 N ABERDEEN ROAD
COLDSTREAM BC V1B 3B6
CANADA

This is Exhibit " **C** " referred to in the af-
fidavit of **Marlin Tobias**
sworn before me at **Salmon Arm**
this **13** day of **November 20, 24**



A Commissioner for taking Affidavits
for British Columbia
ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883

TITLE SEARCH PRINT

File Reference: 339917.00001

Declared Value \$582000

2024-10-29, 15:50:55
Requestor: Ricci Cheung

****CURRENT AND CANCELLED INFORMATION SHOWN****

Land Title District	KAMLOOPS
Land Title Office	KAMLOOPS
Title Number	CA7266872
From Title Number	CA6513111
Application Received	2018-12-21
Application Entered	2018-12-27
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	CANNGROUP DEVELOPMENT CORP., INC.NO. BC1130267 480 - 3104 - 30 AVENUE VERNON, BC V1T 9M9

Taxation Authority Vernon Assessment Area

Description of Land

Parcel Identifier: 012-818-526

Legal Description:
THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH
MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121
AND KAP53741

Legal Notations

PERSONAL PROPERTY SECURITY ACT NOTICE SEE CA7696356 EXPIRES 2024/07/25
CANCELLED BY CA9046764 2021-05-28

PERSONAL PROPERTY SECURITY ACT NOTICE, SEE CA8244094

PERSONAL PROPERTY SECURITY ACT NOTICE SEE CA8952400 EXPIRES 2026/04/27

THIS TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT

TITLE SEARCH PRINT

File Reference: 339917.00001
Declared Value \$582000

2024-10-29⁹, 15:50:55
Requestor: Ricci Cheung

Charges, Liens and Interests

Nature: EASEMENT
Registration Number: E1453
Registration Date and Time: 1970-01-20 16:35
Remarks: INTER ALIA
APPURTENANT TO LOT 2, PLAN 10866
APPURTENANCY CANCELLED AS TO LOT 2 PLAN 29097
BY KJ16945, 1995/03/13

Nature: COVENANT
Registration Number: KH118202
Registration Date and Time: 1994-12-07 10:38
Registered Owner: REGIONAL DISTRICT OF NORTH OKANAGAN
HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA
Remarks: INTER ALIA
SECTION 215 LAND TITLE ACT

Nature: COVENANT
Registration Number: KH118218
Registration Date and Time: 1994-12-07 10:39
Registered Owner: REGIONAL DISTRICT OF NORTH OKANAGAN

Nature: EASEMENT
Registration Number: CA5033293
Registration Date and Time: 2016-03-09 13:19
Remarks: PART SHOWN ON PLAN EPP56220
APPURTENANT TO THAT PART SE 1/4, SEC 22 SHOWN ON
PLAN B4968, TWP 19, RGE 9, KDYD, EXCEPT PLAN
KAP53741

Nature: MORTGAGE
Registration Number: CA6513130
Registration Date and Time: 2017-12-14 16:15
Registered Owner: TEKAMAR MORTGAGE FUND LTD.
INCORPORATION NO. BC0557325
Cancelled By: CA7276303
Cancelled Date: 2019-01-02

Nature: ASSIGNMENT OF RENTS
Registration Number: CA6513131
Registration Date and Time: 2017-12-14 16:15
Registered Owner: TEKAMAR MORTGAGE FUND LTD.
INCORPORATION NO. BC0557325
Cancelled By: CA7276304
Cancelled Date: 2019-01-02

TITLE SEARCH PRINT

File Reference: 339917.00001

Declared Value \$582000

Nature: MORTGAGE
 Registration Number: CA6553578
 Registration Date and Time: 2018-01-08 14:51
 Registered Owner: REINHARD SCHILLER
Cancelled By: CA7717100
Cancelled Date: 2019-08-29

Nature: MORTGAGE
 Registration Number: CA7267752
 Registration Date and Time: 2018-12-21 12:09
 Registered Owner: ALLAN CHABON
Cancelled By: CA7717101
Cancelled Date: 2019-08-29

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7267753
 Registration Date and Time: 2018-12-21 12:09
 Registered Owner: ALLAN CHABON
Cancelled By: CA7717102
Cancelled Date: 2019-08-29

Nature: PRIORITY AGREEMENT
 Registration Number: CA7267754
 Registration Date and Time: 2018-12-21 12:09
 Remarks: GRANTING CA7267752 PRIORITY OVER CA6553578
Cancelled By: CA7717100
Cancelled Date: 2019-08-29

Nature: PRIORITY AGREEMENT
 Registration Number: BB3054106
 Registration Date and Time: 2019-01-14 08:22
 Remarks: GRANTING CA7267753 PRIORITY OVER CA6553578
Cancelled By: CA7717100
Cancelled Date: 2019-08-29

Nature: MORTGAGE
 Registration Number: CA7696354
 Registration Date and Time: 2019-08-20 13:46
 Registered Owner: THE TORONTO-DOMINION BANK
Cancelled By: CA9032949
Cancelled Date: 2021-05-25

TITLE SEARCH PRINT

File Reference: 339917.00001

Declared Value \$582000

2024-10-29, 15:50:55
Requestor: Ricci Cheung

Nature: ASSIGNMENT OF RENTS
Registration Number: CA7696355
Registration Date and Time: 2019-08-20 13:46
Registered Owner: THE TORONTO-DOMINION BANK
Cancelled By: CA9032950
Cancelled Date: 2021-05-25

Nature: MORTGAGE
Registration Number: CA7912927
Registration Date and Time: 2019-12-05 16:42
Registered Owner: CURRENT FINANCIAL CORP.
INCORPORATION NO. A0089474
Cancelled By: CA9042994
Cancelled Date: 2021-05-27

Nature: ASSIGNMENT OF RENTS
Registration Number: CA7912928
Registration Date and Time: 2019-12-05 16:42
Registered Owner: CURRENT FINANCIAL CORP.
INCORPORATION NO. A0089474
Cancelled By: CA9042995
Cancelled Date: 2021-05-27

Nature: MORTGAGE
Registration Number: CA8952190
Registration Date and Time: 2021-04-28 07:58
Registered Owner: BUILDERS CAPITAL MORTGAGE CORP.
INCORPORATION NO. A0088920
Transfer Number: CA8952190 TRANSFERRED TO CB1637380
Registered Owner: BUILDERS CAPITAL (2014) LTD.
INCORPORATION NO. A0094898
Transfer Number: CB1637380

Nature: ASSIGNMENT OF RENTS
Registration Number: CA8952191
Registration Date and Time: 2021-04-28 07:58
Registered Owner: BUILDERS CAPITAL MORTGAGE CORP.
INCORPORATION NO. A0088920
Transfer Number: CA8952191 TRANSFERRED TO CB1637381
Registered Owner: BUILDERS CAPITAL (2014) LTD.
INCORPORATION NO. A0094898
Transfer Number: CB1637381

TITLE SEARCH PRINT

File Reference: 339917.00001

Declared Value \$582000

2024-10-29, 15:50:55
Requestor: Ricci Cheung

Nature: PROPERTY TRANSFER TAX ACT LIEN
Registration Number: WX2165375
Registration Date and Time: 2021-06-23 13:33
Registered Owner: HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA
Cancelled By: CB154588
Cancelled Date: 2022-08-16

Nature: JUDGMENT
Registration Number: CB101509
Registration Date and Time: 2022-07-22 12:11
Registered Owner: ALLAN CHABON

Nature: CERTIFICATE OF PENDING LITIGATION
Registration Number: CB101795
Registration Date and Time: 2022-07-22 13:25
Registered Owner: ALLAN CHABON

Nature: CRYSTALLIZED FLOATING CHARGE
Registration Number: CB451209
Registration Date and Time: 2023-01-30 10:48
Registered Owner: MARLIN KIRBY TOBIAS
CARLEEN MARY ROTH
AS JOINT TENANTS

Nature: CRYSTALLIZED FLOATING CHARGE
Registration Number: CB510331
Registration Date and Time: 2023-03-09 11:41
Registered Owner: COLLIN ROTH

Nature: CROWN LIEN
Registration Number: CB886278
Registration Date and Time: 2023-09-12 14:11
Registered Owner: THE CROWN IN RIGHT OF BRITISH COLUMBIA
Remarks: EMPLOYER HEALTH TAX ACT

Nature: JUDGMENT
Registration Number: CB1229842
Registration Date and Time: 2024-03-27 08:41
Registered Owner: HIS MAJESTY THE KING IN RIGHT OF CANADA
Cancelled By: CB1254251
Cancelled Date: 2024-04-10

TITLE SEARCH PRINT

File Reference: 339917.00001

Declared Value \$582000

13
2024-10-29, 15:50:55
Requestor: Ricci Cheung

Nature: JUDGMENT
Registration Number: CB1234891
Registration Date and Time: 2024-03-28 12:47
Registered Owner: HIS MAJESTY THE KING IN RIGHT OF CANADA

Nature: JUDGMENT
Registration Number: CB1235335
Registration Date and Time: 2024-03-28 14:43
Registered Owner: HIS MAJESTY THE KING IN RIGHT OF CANADA

Nature: JUDGMENT
Registration Number: CB1427099
Registration Date and Time: 2024-07-05 15:26
Registered Owner: HIS MAJESTY THE KING IN RIGHT OF CANADA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

Corrections

CR60483 2023-12-20 09:17:49 LEGAL NOTATION ADDED JA4469

This is Exhibit " **D** " referred to in the affidavit of **Marlin Tobias** sworn before me at **Salmon Arm** this **13** day of **November 20, 24**.



A Commissioner for taking Affidavits
for British Columbia
ZOE STEVENS
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#3 – 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883



Licence No. - N° de licence
LIC-27IQXDEL3B-2022

LICENCE

This licence is issued in accordance with the Cannabis Act and Cannabis Regulations

LICENCE

Cette licence est délivrée conformément à la Loi sur le cannabis et le Règlement sur le cannabis

Licence Holder / Titulaire de la licence :
CANNGROUP DEVELOPMENT CORP.

Licensed Site / Lieu autorisé :
58 HADOW RD.
ENDERBY, BC, CANADA, V0E 1V3

The above-mentioned person is authorized to conduct, at the site specified on this licence, the activities listed below for the following licence classes and subclasses.

La personne susmentionnée est autorisée à effectuer, sur le site spécifié sur cette licence, les activités énumérées ci-dessous pour les catégories et les sous-catégories de licence suivantes.

Standard Cultivation

Culture standard

Activities	Activités
<ul style="list-style-type: none"> To possess cannabis To obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis For the purposes of testing, to obtain cannabis by altering its chemical or physical properties by any means To sell cannabis in accordance with subsection 11(5) of the Cannabis Regulations 	<ul style="list-style-type: none"> Avoir du cannabis en sa possession Obtenir du cannabis séché, du cannabis frais, des plantes de cannabis ou des graines provenant de telles plantes par la culture, la multiplication et la récolte de cannabis Afin d'effectuer des essais sur du cannabis, obtenir du cannabis par l'alération, par tout moyen, de ses propriétés physiques ou chimiques Vendre du cannabis en vertu du paragraphe 11(5) du Règlement sur le cannabis
Conditions	Conditions
The licence holder must meet the requirements set out in the Health Canada document entitled "Mandatory cannabis testing for pesticide active ingredients - Requirements".	Le titulaire de la licence doit respecter les exigences énoncées dans le document de Santé Canada intitulé « Analyse obligatoire du cannabis pour les résidus de principes actifs de pesticides - Exigences ».

Standard Processing

Transformation standard

Activities	Activités
<ul style="list-style-type: none"> To possess cannabis To produce cannabis, other than obtain it by cultivating, propagating or harvesting it To sell cannabis in accordance with subsection 17(5) of the Cannabis Regulations 	<ul style="list-style-type: none"> Avoir du cannabis en sa possession Produire du cannabis, sauf en l'obtenant par la culture, la multiplication et la récolte Vendre du cannabis en vertu du paragraphe 17(5) du Règlement sur le cannabis
Conditions	Conditions
The licence holder must meet the requirements set out in the Health Canada document entitled "Mandatory cannabis testing for pesticide active ingredients - Requirements".	Le titulaire de la licence doit respecter les exigences énoncées dans le document de Santé Canada intitulé « Analyse obligatoire du cannabis pour les résidus de principes actifs de pesticides - Exigences ».
The only cannabis products that the licence holder may sell or distribute to (i) a holder of a licence for sale, and (ii) a person that is authorized under a provincial Act referred to in subsection 69(1) of the Act to sell cannabis, are as follows: cannabis plants; cannabis plant seeds; dried cannabis; fresh cannabis; cannabis topicals; cannabis extracts; and edible cannabis.	Les seuls produits du cannabis que le titulaire de la licence peut vendre ou distribuer (i) à un titulaire d'une licence de vente et (ii) à une personne autorisée sous le régime d'une loi provinciale visée au paragraphe 69(1) de la Loi à vendre du cannabis sont les suivants : plantes de cannabis; graines provenant d'une plante de cannabis; cannabis séché; cannabis frais; cannabis pour usage topique; extrait de cannabis; et cannabis comestible.

Acting Director, Licensing and Security, Controlled Substances and Cannabis Branch
Directrice par intérim, Licences et sécurité, Direction générale des substances contrôlées et du cannabis



Conditions	Conditions
The only cannabis products that the licence holder may send or deliver to the purchaser at the request of (i) a holder of a licence for sale, and (ii) a person that is authorized under a provincial Act referred to in subsection 69(1) of the Act to sell cannabis, are as follows: cannabis plants; cannabis plant seeds; dried cannabis; fresh cannabis; cannabis topicals; cannabis extracts; and edible cannabis.	Les seuls produits du cannabis que le titulaire de la licence peut expédier ou livrer à l'acheteur à la demande (i) d'un titulaire d'une licence de vente et (ii) d'une personne autorisée sous le régime d'une loi provinciale visée au paragraphe 69(1) de la Loi à vendre du cannabis sont les suivants : plantes de cannabis; graines provenant d'une plante de cannabis; cannabis séché; cannabis frais; cannabis pour usage topique; extrait de cannabis; et cannabis comestible.

Sale for Medical Purposes

Vente à des fins médicales

Activités	Activités
<ul style="list-style-type: none"> To possess cannabis To sell cannabis products in accordance with section 27 and Part 14, Division 1 of the Cannabis Regulations 	<ul style="list-style-type: none"> Avoir du cannabis en sa possession Vendre des produits du cannabis en vertu de l'article 27 et la section 1 de la partie 14 du Règlement sur le cannabis

Conditions	Conditions
N/A	nd

Indoor Area(s) / Zone(s) intérieure(s)

The possession of cannabis and the other activities mentioned above are authorized in the following building(s) / La possession de cannabis et les autre activités mentionnées ci-haut sont autorisées dans les bâtiment(s) suivant(s) :

Building 1

Outdoor Area(s) / Zone(s) extérieure(s)

The cultivation, propagation and harvesting of cannabis are authorized in the following outdoor area(s) / La culture, la multiplication et la récolte de cannabis sont autorisées dans les zone(s) extérieure(s) suivante(s) :

Outdoor Grow

Effective date of the licence:

This licence is effective as of **July 15, 2022**

Date d'entrée en vigueur de la licence:

Cette licence entre en vigueur à compter du **15 juillet 2022**

Expiry date of the licence:


This licence expires on **July 26, 2027**

Date d'expiration de la licence:

La présente licence expire le **26 juillet 2027**

Acting Director, Licensing and Security, Controlled Substances and Cannabis Branch
Directrice par intérim, Licences et sécurité, Direction générale des substances contrôlées et du cannabis

This is Exhibit * **E** * referred to in the affidavit of **Marlin Tobias** sworn before me at **Salmon Arm** this **13** day of **November** 20**24**.


A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
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#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883



SUMMERSIDE PE C1N 5Z7

0000009

00000009

Date	Oct 16, 2024
Account number	79939 9688 RD0001
Reference number	OL242882102103

CANNING GROUP DEVELOPMENT CORP.,
56 HADOW RD
ENDERBY BC V4Y 4H2

Subject: Renewing your cannabis licence

Dear Licensee:

Your cannabis licence, number 79939 9688 RD0001, will expire on **November 15, 2024**.

To apply to renew your licence, fill out Form L300, Cannabis Licence Application under the Excise Act, 2001. You may also need to fill out Form L300SCHA Schedule A, Other Business Location(s), and L300SCHB Schedule B, Information Relating to Individuals, Partners, Directors, Officers and Shareholders, if they apply.

Please send your completed forms to your regional office before **October 16, 2024**. To find the address, go to canada.ca/en/revenue-agency/services/forms-publications/publications/contacts.

To qualify for renewal, you must show that you still meet all eligibility requirements in the Regulations Respecting Excise Licences and Registrations. Once we have your application, we will contact you if we need more documents or to confirm your information. After we review your application, we will write to you to let you know our decision.

If you have already taken steps to renew your licence, please disregard this letter.

If you have questions about renewing your licence, please contact your regional office.

You can find more information at canada.ca/cannabis-excise.

Sincerely,

Bob Hamilton
Commissioner of Revenue



This is Exhibit * **F** * referred to in the af-
fidavit of **Marlin Tobias**
sworn before me at **Salmon Arm**
this **13** day of **November** 20**24**


A Commissioner for taking Affidavits
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District of: British Columbia
 Division No. 04 - Vernon
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 CannGroup Development Corp.
 of the City of Vernon, in the Province of British Columbia
 Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1211174 BC Ltd dba Higher Economic Marketed Price	233 - 67 Street Delta BC V4L 1M2		43,147.22
1233397 BC Ltd.	4114 - 184 Street Surrey BC V3Z 1B7		213,000.00
1253486 BC Ltd	733 Finns Road Kelowna BC V1X 5B7		78,530.55
A&L Canada Laboratories Inc	2136 Jetstream Road London ON N5V 3P5		17,722.69
A&L Canada Laboratories Inc (Dymond)	2136 Jetstream Rd London ON N5V 3P5		25,090.59
Air Liquide Canada Inc	23231 Fraserwood Way Richmond BC V6V 3B3		2,074.32
Air Liquide Canada Inc (Dymond)	23231 Fraserwood Way Richmond BC V6V 3B3		12,962.10
Allan Chabon	932 McNicoll Avenue Vancouver BC V6J 1A6		644,521.15
Ample Organics Inc.	Unit 2015A, 290 Caldari Rd. Vaughan ON L4K 4J4		13,439.51
B. A Power & Machinery Ltd.	9650 Bottom Lake Rd Lake Country BC V4V 1S7		705.60
BC Scale Co Ltd	5920-200 A Street Langley BC V3A 5X8		2,667.96
BlueSky Organics	1600 Kosmina Road Vernon BC V1T 8T2		15,176.16
Bourcet Holdings Ltd.	821 Fairweather Road Vernon BC V1T 8T9		4,000.00
Builders Capital Mortgage Corp.	#260, 1414 - 8th Street SW Calgary AB T2R 1J6		1,577,355.00
Cambria Technology LLC	161 Peninsula Road Medicine Lake MN 55441		29,958.27

District of: British Columbia
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In the Matter of the Proposal of
 CannGroup Development Corp.
 of the City of Vernon, in the Province of British Columbia
 Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Cambria/John Braun	161 Peninsula Road Medicine Lake MN 55441		68,142.18
Canada Revenue Agency - Excise	9755 King George Blvd Surrey BC V3T 5E1		1,352,188.14
Canada Revenue Agency - GST	9755 King George Blvd Surrey BC V3T 5E1		291,978.56
Canada Revenue Agency - Payroll	9755 King George Blvd Surrey BC V3T 5E1		279,402.89
Canadian Bank Note Company, Limited	145 Richmond Road Ottawa ON K1Z 1A1		6,619.20
Canadian Cannabis Exchange Ltd.	4006B Stanley Rd Calgary AB T2S 2P4		1,345.17
Cannabis at Work	PO Box 163 Whistler BC V0N 1B0		15,120.00
Canvas Labs Ltd.	2D, 138 West 6th Avenue, Vancouver BC V5Y 1K6		1,827.00
Carleen Roth	510 Holly Ave Sicamous BC V0E 2V1		326,732.42
Carleen Roth	509 Holly Ave Sicamous BC V0E 2V1		7,266.23
Carmen Tobias	8271 Silver Star Road, Vernon, BC, V1B 3M8 Vernon BC V1B 3M8		23,307.00
Caro Analytical Services (Dymond)	#110 4011 Viking Way Richmond BC V6V 2K9		1,904.70
Chapman Mechanical Ltd.	901 Waddington Drive Vernon BC V1T 9E2		1,999.90
Cintas Canada Limited	PO Box 4372 Station A Toronto ON M5W 0J2		17,943.54
Colin Roth	2201 - 1050 Burrard Street Vancouver BC V6Z 2S3		150,400.00

District of: British Columbia
 Division No. 04 - Vernon
 Court No.
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- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 CannGroup Development Corp.
 of the City of Vernon, in the Province of British Columbia
 Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CTC Logistics (Canada) Inc	130 - 14351 Burrows Road Richmond BC V6V 1K9		3,592.35
Derek Fink	PO Box 99 Vibank SK S0G 4Y0		19,552.00
Diamond Concentrates Inc.	#209 - 15292 Croydon Drive Surrey BC V3S 0Z5		250.00
Dynamic Local	#201 - 18810 72nd Ave Surrey BC V4N 1M9		26,252.67
Dynamic Local (Dymond)	#201 - 18810 72nd Ave Surrey BC V4N 1M9		12,346.28
Endless Sky Inc.	103 - 4511 Glenmore Trail SE Calgary AB T2C 2R9		91,703.13
Greenway Greenhouse Cannabis Corporation	1478 Seaciff Drive Kingsville ON N9Y 2M2		41,518.57
GS1 Canada	Postal Station A, Toronto ON M5W 5W6		4,504.30
Health Canada	1 61 Goldenrod Drwy Ottawa ON K1A 0K9		39,133.19
Hempsana Inc	3080 Young Street, Suite 6060 Toronto ON M4N 3N1		31,921.86
Hewberry Alarm Ltd	1011 Kalamalka Lake Road Vernon BC V1T 6V4		3,201.25
High North Laboratories (Dymond)	241 Harlan Rd, Unit 7 Vaughan ON L4L 3R7		17,299.83
HighDeal Solutions (Dymond)	119 - 19055 Airport Way Pitt Meadows BC V3Y 0G4		5,635.27
Hygiene Canada Limited	Unit 14, 2650 Meadowval Boulevard Mississauga ON L5N 6M5		949.39
Jeff Silzer	150 Highview Place Lions Bay BC V0N 2E0		16,847.95

District of: British Columbia
 Division No. 04 - Vernon
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- FORM 33 -
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 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 CannGroup Development Corp.
 of the City of Vernon, in the Province of British Columbia
 Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
Kimco Controls Ltd.	104 - 171 Commercial Drive, Kelowna BC V1X 7W2		1,916.30
Kooteney Outdoor Producer	6160 Rotter Spur Road Salmo BC V0G 1M0		43,232.50
LBS Consulting (Larry Silzer)	4 Brunswick Beach Lions Bay BC V0N 2E0		19,725.00
Linde Canada Inc.	PO BOX 2531 STN M Calgary AB T2P 0S6		10,940.01
Linde Canada Inc. (Dymond)	PO BOX 2531 STN M Calgary AB T2P 0S6		10,799.21
Marlin Tobias	509 Holly Ave Sicamous BC V0E 2V1		12,153.92
Marlin Tobias	509 Holly Ave Sicamous BC V0E 2V1		512,431.04
Meridian Onecap Credit Corp.	1500 - 4710 Kingsway Burnaby BC V5H 4M2		250.00
Mettler-Toledo Inc.	POON Box 1518 Station A Toronto ON M5W 3N9		2,085.30
Minister of Finance	PO Box9446 Stn Prov Govt Victoria BC V8W 9V6		50,454.22
Minister of Finance - EHT	PO Box9446 Stn Prov Govt Victoria BC V8W 9V6		48,141.26
MNP LLP	Suite# 100, 2903 35th Ave Vernon BC V1T 2S7		17,093.69
Nicole Chetwynd	604 - 233 Kingsway Vancouver BC V5T 3J5		4,778.77
Nicole Chetwynd	8348 Needles Drive Whistler BC V8E 1G0		51,170.01
NSLC - NOVA SCOTIA LIQUOR CORPORATION	93 Chain Lake Drive Halifax NS B3S 1A3		441.09

District of: British Columbia
 Division No. 04 - Vernon
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 CannGroup Development Corp.
 of the City of Vernon, in the Province of British Columbia
 Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
Purolator Inc.	PO BOX 4800 STN MAIN CONCORD ON L4K 0K1		14,585.62
Pushor Mitchell LLP - in trust for Trugro Limited	3rd Floor, 1665 Ellis Street Kelowna BC V1Y 2B3		240,301.00
Quality Analytical Services Ltd.	Unit A43 - 64089 393 Ave Okotoks AB T1S 0L1		4,804.50
Saini Logistic Solutions (Dymond)	5266 General Road Unit 18-19 Mississauga ON L4W 1Z8		437.50
Salmon Arm Drycleaners	430 7th St S.W. Salmon Arm BC V1E 1S9		1,350.83
Salt Capital Inc. o/a Capital Now Cannabisc	#121, 234 - 5149 Country Hills BV Calgary AB T3A 5K8		250.00
SCV Waste Solutions	Box 549 Armstrong BC V0E 1B0		1,907.85
SESS Holdings (Dymond)	3845 Nashua Drive Mississauga ON L4V 1R3		9,915.75
Shaw Business	PO Box 1607, Stn M Calgary AB T2P 2L7		20,076.43
Shumac Refrigeration & HVAC Ltd.	2005 Waterwheel St Enderby BC V0E 1V2		103,733.02
Stoke Canada Finance Corp.	700, 1816 Crowchild Trail SW Calgary AB T2M 3Y7		250.00
The Safety Man	1250 - 13 Ave. S.E., Salmon Arm BC V1E 2G7		381.87
Tip-it Waste Solutions Inc	PO Box 392 Armstrong BC V0E 1B0		1,449.00
Valens Labs Ltd.	230 Carlon Road Kelowna BC V4V 2K5		8,190.00
Wallace & Carey Inc.	5445 - 8th Street NE Calgary AB T2K 5R9		9,928.20

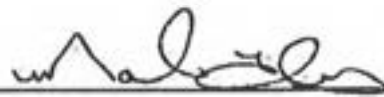
District of: British Columbia
 Division No. 04 - Vernon
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 CannGroup Development Corp.
 of the City of Vernon, in the Province of British Columbia
 Crowe MacKay and Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Whister Reception Services - Chery Waters & Nicole Chetwynd	8348 Needles Drive Whistler BC V8E1G0		44,435.07
WorkSafeBC - Collections Department	PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5		19,204.81
Zenalytic Laboratories Ltd	116 High Rd Kelowna BC V1Y 7B1		3,675.00
Total			6,811,724.86



CannGroup Development Corp.
 Insolvent Person (Marlin Tobias)

This is Exhibit " **G** " referred to in the affidavit of **Marlin Tobias** sworn before me at **Salmon Arm** this **13** day of **November** 20**24**.


A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 – 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883

Business Debtor - "CANNGROUP DEVELOPMENT CORP."

Search Date and Time: October 29, 2024 at 3:25:16 pm Pacific time
 Account Name: FASKEN MARTINEAU DUMOULIN LLP
 Folio Number: 339917.00001

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9 Matches in 9 Registrations in Report

Exact Matches: 9 (*)

Total Search Report Pages: 21

	Base Registration	Base Registration Date	Debtor Name	Page
1	011228M	January 17, 2020	* CANNGROUP DEVELOPMENT CORP.	2
2	276601M	June 15, 2020	* CANNGROUP DEVELOPMENT CORP.	5
3	927502M	April 27, 2021	* CANNGROUP DEVELOPMENT CORP.	7
4	673471N	April 19, 2022	* CANNGROUP DEVELOPMENT CORP.	9
5	202693P	November 16, 2022	* CANNGROUP DEVELOPMENT CORP.	11
6	280952P	January 3, 2023	* CANNGROUP DEVELOPMENT CORP.	13
7	402713P	March 9, 2023	* CANNGROUP DEVELOPMENT CORP.	16
8	625958P	June 26, 2023	* CANNGROUP DEVELOPMENT CORP.	18
9	400236Q	May 24, 2024	* CANNGROUP DEVELOPMENT CORP.	20

Base Registration Number: 011228M

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: January 17, 2020 at 4:26:20 pm Pacific time
Current Expiry Date and Time: January 17, 2025 at 11:59:59 pm Pacific time
 Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of October 29, 2024 at 3:25:16 pm Pacific time)

Secured Party Information

MERIDIAN ONECAP CREDIT CORP. **Address**
 SUITE 1500, 4710 KINGSWAY
 BURNABY BC
 V5H 4M2 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP. **Address**
 56 HADOW ROAD
 ENDERBY BC
 V0E 1V3 Canada

CHETWYND, NICOLE S **Address** **Birthdate**
 56 HADOW ROAD December 16, 1964
 ENDERBY BC
 V0E 1V3 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2020	BOBCAT / S650	ALJ828289

General Collateral

Base Registration General Collateral:

LOADER(S), SKID STEER LOADER(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR ,COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: March 11, 2020 at 2:22:37 pm Pacific time
Registration Number: 113821M
Description: DELETED DEBTOR: CARLEEN LAY (56 HADOW ROAD)
ADDED DEBTOR: NICOLE S CHETWYND (56 HADOW ROAD)
AMENDMENT DEBTORS, ADDING NICOLE CHETWYND
AND REMOVING CARLEEN LAY

Debtor Information

CHETWYND, NICOLE S

NAME CHANGED

Address

56 HADOW ROAD
ENDERBY BC
V0E 1V3 Canada

Birthdate

December 16,
1964

CHANGED

Registering Party Information

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

Base Registration Number: 276601M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	June 15, 2020 at 1:00:26 pm Pacific time
Current Expiry Date and Time:	June 15, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of October 29, 2024 at 3:25:16 pm Pacific time)

Secured Party Information**DIAMOND CONCENTRATES INC.****Address**#209 - 15292 CROYDON DRIVE
SURREY BC
V3S 0Z5 Canada**Debtor Information****CANNGROUP DEVELOPMENT CORP.****Address**480, 3104 - 30TH AVENUE
VERNON BC
V1T 9M9 Canada**Vehicle Collateral**

None

General Collateral

Base Registration General Collateral:

ALL LABORATORY EQUIPMENT LEASED BY THE SECURED PARTY TO THE DEBTOR INCLUDING 50L ROTARY EVAPORATORS, CHILLERS, ETHANOL EXTRACTOR, ETHANOL RECOVERY SYSTEM, JACKETED ETHANOL STORAGE TANKS, SHORT PATH DISTILLATION EQUIPMENT, BIZZY BEE EXTRACTOR, INDUSTRIAL VACUUM PUMP, GLASS REACTORS, VACUUM OVEN, MAGNETIC STIRS, TABLETOP LABORATORY EQUIPMENT, MOBILE LABORATORY CONTAINER, STAINLESS STEEL TABLES, FILTRATION EQUIPMENT, RECOVERY PUMPS, AND ALL PROCEEDS OF THE FOREGOING INCLUDING ALL GOODS, INTANGIBLES, INVESTMENT PROPERTIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, CROPS, LICENCES AND INSURANCE PROCEEDS LOCATED UPON THE LANDS LOCATED AT 56 HADOW ROAD, ENDERBY, BRITISH COLUMBIA, V0E 1V3, LEGALLY DESCRIBED AS PID: 012-818-526, THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741 (THE \LANDS\) (AS SUCH LEGAL DESCRIPTION MAY BE MODIFIED AS A CONSEQUENCE OF SUBDIVISION, CONSOLIDATION, STRATIFICATION OR OTHER MODIFICATION TO THE WHOLE OR ANY PORTION OF THE LANDS).

Original Registering Party

RICHARDS BUELL SUTTON LLP

Address

700 - 401 WEST GEORGIA STREET
VANCOUVER BC
V6B 5A1 Canada

Base Registration Number: 927502M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	April 27, 2021 at 9:12:43 am Pacific time
Current Expiry Date and Time:	April 27, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of October 29, 2024 at 3:25:16 pm Pacific time)

Secured Party Information

**BUILDERS CAPITAL MORTGAGE
CORP.**

Address

#260, 1414 8TH STREET SW
CALGARY AB
T2R 1J6 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.

Address

#480, 3104 30TH AVENUE
VERNON BC
V1T 9M9 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, AND OTHER ASSETS AND UNDERTAKINGS OF EVERY NATURE AND KIND, TANGIBLE AND INTANGIBLE, LEGAL AND EQUITABLE, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS, AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY ,OR INDIRECTLY THEREFROM, INCLUDING WITHOUT LIMITATION ALL RIGHT, TITLE, OR INTEREST OF THE DEBTOR IN OR TO: (1) ALL OF THE DEBTOR'S MATERIALS, EQUIPMENT, SUPPLIES, LETTERS OF CREDIT, INSURANCE POLICIES, AGREEMENTS, CONTRACTS, AND WARRANTIES; (2) THE BENEFIT OF ALL MONIES PAID BY THE DEBTOR TO ANY GOVERNMENTAL ,AUTHORITY; (3) THE INTERESTS OF THE DEBTOR IN ALL FIXTURES AND CROPS LOCATED ON, DERIVED FROM, USED IN CONNECTION WITH, OR OTHERWISE IN ANY MANNER REALTED TO THE LANDS LEGALLY DESCRIBED AS PARCEL IDENTIFIER 012-818-526, BEING THE SOUTH EAST 1/4 OF SECTION 22, TOWNSHIP 19, RANGE 9, WEST OF THE 6TH MERIDIAN, KAMLOOPS DIVISION, YALE DISTRICT, EXCEPT PLANS B4968, KAP45121 AND KAP53741; (4) ANY INTEREST OF THE DEBTOR IN OR TO ANY LICENCES, PERMITS, EXEMPTIONS, OR APPROVALS ISSUED BY ANY GOVERNMENT, STATUTORY OR OTHER AUTHORITY HAVING JURISDICTION, INCLUDING LICENCES ISSUED IN ,ACCORDANCE WITH THE CANNABIS ACT AND CANNABIS REGULATIONS UNDER NUMBERS LIC-27IQXDEL3B-2019 AND LIC-27IQXDEL3B-2019-2; AND (5) AN UNCRYSTALLIZED FLOATING CHARGE ON LAND.

Original Registering Party

COX, TAYLOR

Address

3RD FLOOR, 26 BASTION SQUARE
VICTORIA BC
V8W 1H9 Canada

Base Registration Number: 673471N

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: April 19, 2022 at 2:15:48 pm Pacific time
Current Expiry Date and Time: April 19, 2025 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION
(as of October 29, 2024 at 3:25:16 pm Pacific time)

Secured Party Information

**SALT CAPITAL INC. O/A CAPITAL
NOW CANNABISC**

Address

121 234 5149 COUNTRY HILLS BV
CALGARY AB
T3A 5K8 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.

Address

301 - 2706 30 AVENUE
VERNON BC
V1T 2B6 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AS DEFINED BY THE PPSA INCLUDING
ACCOUNTS RECEIVABLE.

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada



Base Registration Number: 202693P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 16, 2022 at 11:41:04 am Pacific time
Current Expiry Date and Time:	November 16, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of October 29, 2024 at 3:25:16 pm Pacific time)

Secured Party Information**STOKE CANADA FINANCE CORP.****Address**700, 1816 CROWCHILD TRAIL NW
CALGARY AB
T2M 3Y7 Canada**Debtor Information****CANNGROUP DEVELOPMENT CORP.****Address**480, 3104-30TH AVENUE
VERNON BC
V1T 9M9 Canada**Vehicle Collateral**

None

General Collateral

Base Registration General Collateral:

RECEIVABLES PURCHASE AGREEMENT DATED SEPT 7TH, 2022. SECTION 6.1.(1) AS GENERAL AND CONTINUING COLLATERAL SECURITY FOR THE DUE PAYMENT AND PERFORMANCE OF ALL PRESENT AND FUTURE OBLIGATIONS (WHETHER DIRECT OR INDIRECT, JOINT OR SEVERAL, ABSOLUTE OR CONTINGENT, LIQUIDATED OR UNLIQUIDATED DAMAGES, MATURED OR UNMATURED) WHICH THE SELLER HAS FROM TIME TO TIME INCURRED OR MAY INCUR OR BE LIABLE TO THE PURCHASER UNDER, IN CONNECTION WITH OR WITH RESPECT TO THIS AGREEMENT AND ANY OTHER TRANSACTION DOCUMENTS AND ANY UNPAID BALANCE THEREOF, THE SELLER HEREBY GRANTS, ASSIGNS, TRANSFERS, SETS OVER, MORTGAGES, CHARGES, AND PLEDGES TO THE PURCHASER, AND GRANTS TO THE PURCHASER A FIRST PRIORITY SECURITY INTEREST IN, ALL OF THE SELLER'S RIGHT, TITLE AND INTEREST IN AND TO THE FOLLOWING, WHEREVER LOCATED, WHETHER NOW EXISTING OR HEREAFTER FROM TIME TO TIME ARISING OR ACQUIRED (COLLECTIVELY, THE "COLLATERAL"):

- (I) THE RESERVE AMOUNT AND THE DILUTION RESERVE PROCEEDS RELATING THERETO;
- (II) ALL BOOKS AND RECORDS RELATING TO THE FOREGOING, INCLUDING IN ANY FORM OR MEDIUM;
- (III) ALL ADDITIONS, SUBSTITUTIONS AND REPLACEMENTS FOR EACH OF THE FOREGOING.

Original Registering Party

STOKE INVENTORY PARTNERS INC.	Address
	700 - 1816 CROWCHILD TR NW CALGARY AB T2M 3Y7 Canada

Base Registration Number: 280952P

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: January 3, 2023 at 4:10:21 pm Pacific time
Current Expiry Date and Time: January 3, 2028 at 11:59:59 pm Pacific time
 Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of October 29, 2024 at 3:25:16 pm Pacific time)

Secured Party Information

TOBIAS, MARLIN

Address

152 NORTH ABERDEEN ROAD
 COLDSTREAM BC
 V1B 3B6 Canada

ROTH, CARLEEN

Address

152 NORTH ABERDEEN ROAD
 COLDSTREAM BC
 V1B 3B6 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.

Address

#480, 116 - 5100 ANDERSON WAY
 VERNON BC
 V1T 0C4 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2019	Ford / Super Duty F-350 S	1FT8W3B66KEF62432

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND AN
UNCRYSTALLIZED FLOATING CHARGE ON LAND.

Original Registering Party

**NIXON WENGER BARRISTERS AND
SOLICITORS**

Address

#301 - 2706 30TH AVENUE
VERNON BC
V1T 2B6 Canada

HISTORY

(Showing most recent first)

AMENDMENT - COLLATERAL ADDED

Registration Date and Time: March 27, 2023 at 12:07:18 pm Pacific time
Registration Number: 436521P
Description:

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV) ADDED	2019	Ford / Super Duty F-350 S	1FT8W3B66KEF62432

Registering Party Information

DAVIDSON LAWYERS LLP

Address

301-3126 31 AVE
VERNON BC
V1T 2H1 Canada

Base Registration Number: 402713P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	March 9, 2023 at 9:50:50 am Pacific time
Current Expiry Date and Time:	March 9, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of October 29, 2024 at 3:25:16 pm Pacific time)

Secured Party Information

ROTH, COLLIN

Address

2201-1050 BURRARD ST
VANCOUVER BC
V6Z 2S3 Canada

Debtor Information

CANNGROUP DEVELOPMENT CORP.

Address

#480, 116-5100 ANDERSON WAY
VERNON BC
V1T 0C4 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

All the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held personal property, of whatever nature or kind and wheresoever situate, and all proceeds thereof and therefrom.

Original Registering Party

**WINRIGHT CONNORS LAW
CORPORATION**

Address

621-550 BROADWAY W
VANCOUVER BC
V5Z 0E9 Canada



Base Registration Number: 625958P

Registration Description:	CROWN CHARGE - OTHER - FILED PURSUANT TO EMPLOYMENT HEALTH TAX
Act:	MISCELLANEOUS REGISTRATIONS ACT
Base Registration Date and Time:	June 26, 2023 at 10:28:26 am Pacific time
Current Expiry Date and Time:	Never

CURRENT REGISTRATION INFORMATION

(as of October 29, 2024 at 3:25:16 pm Pacific time)

Secured Party InformationRECEIVABLES MANAGEMENT
OFFICE - CINDY CATHCART**Address**6TH FLOOR - 1802 DOUGLAS ST
VICTORIA BC
V8T 4K6 Canada**Debtor Information**

CANNGROUP DEVELOPMENT CORP

Address56 HADOW RD
ENDERBY BC
V0E 1V3 Canada**Vehicle Collateral**

None

General Collateral**Base Registration General Collateral:**

ALL THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY, INCLUDING BUT NOT RESTRICTED TO MACHINERY, EQUIPMENT, FURNITURE, FIXTURES, INVENTORY AND RECEIVABLES.

Original Registering Party

MINISTRY OF FINANCE

Address

1802 DOUGLAS ST
PO BOX 9445
VICTORIA BC
V8T 4K6 Canada



Base Registration Number: 400236Q

Registration Description:	CROWN CHARGE - OTHER - FILED PURSUANT TO EMPLOYER HEALTH TAX ACT
Act:	MISCELLANEOUS REGISTRATIONS ACT
Base Registration Date and Time:	May 24, 2024 at 3:59:30 pm Pacific time
Current Expiry Date and Time:	Never

CURRENT REGISTRATION INFORMATION

(as of October 29, 2024 at 3:25:16 pm Pacific time)

Secured Party Information**RECEIVABLES MANAGEMENT
OFFICE - HEATHER KURBATOFF****Address**1802 DOUGLAS STREET, 6TH FLOOR
VICTORIA BC
V8T 4K6 Canada**Debtor Information****CANNGROUP DEVELOPMENT CORP.****Address**56 HADOW RD
ENDERBY BC
V0E 1V3 Canada**Vehicle Collateral**

None

General Collateral**Base Registration General Collateral:**

ALL THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY, INCLUDING BUT NOT RESTRICTED TO MACHINERY, EQUIPMENT, FURNITURE, FIXTURES, INVENTORY AND RECEIVABLES.

Original Registering Party


MINISTRY OF FINANCE

Address

1802 DOUGLAS ST
PO BOX 9445
VICTORIA BC
V8T 4K6 Canada



This is Exhibit " **H** " referred to in the af-
fidavit of **Marlin Tobias**
sworn before me at **Salmon Arm**
this **13** day of **November 20, 24**


A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883



builderscapital.ca

Office 403.685.9888

Fax 403.225.9470

COMMITMENT LETTER

April 1, 2021

Canngroup Development Corp.
c/o Marlin Kirby Tobias and Carleen Mary Lay
480 - 3104 30th Avenue
Vernon, BC V1T 9M9 (250) 899-6316 (Marlin)

Dear Marlin and Carleen;


I am pleased to advise you that the following loan, to be secured by a promissory note and **FIRST** charge collateral mortgage on the properties noted below, is approved providing that all the information supplied is correct and subject to the terms and conditions outlined. This commitment is not transferable, and the benefit may not be assigned.

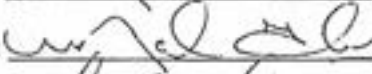
Applicant:	Canngroup Development Corp.
Guarantors:	Marlin Kirby Tobias and Carleen Mary Lay
Property:	56 Hadow Road, Enderby, BC / P.I.D. 012 818 526, the south east ¼ of section 22 township 19 range 9 west of the 6 th meridian Kamloops division yale district except plans B4968, KAP45121 and KAP53741
Additional Security:	Registered General Security Agreement over all lights, mechanical and electrical equipment and all licenses under the Cannabis Act or Regulations
Principal:	\$1,800,000.00
Interest Rate:	12.00% Compounded monthly not in advance, calculation based on 365 day/year
Mortgage Type:	Single advance, interest only
Term:	mortgage due on demand
Payment Amount:	\$18,000.00
Payment Frequency:	Monthly starting 30 days after initial advance
Interest Commencement Date:	Date funds are advanced to solicitor
Lender Setup Fee:	3.5% of loan amount to be deducted from initial advance for an initial 1 year period. Additional lender fees to be charged for loan periods which extend beyond 1 year.

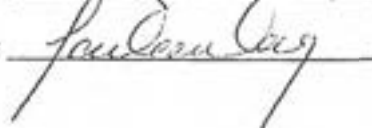
Yours truly,


John Strangway, CPA, CA

Borrower Acceptance:

Applicant Signature:  Name: Marlin Tobias Date: Apr 1 / 21

Guarantor Signature:  Name: Marlin Tobias Date: Apr 1 / 21

Guarantor Signature:  Name: CARLEEN LAY Date: April 1, 2021



Office 403.685.9888

Fax 403.225.9470

builderscapital.ca

Special Conditions precedent to funding

1. Borrower will provide twelve (12) post-dated cheques for monthly payments to be made payable to Builders Capital Mortgage Corp. The first payment is due May 1, 2021 in the amount of \$18,000.00
2. Lender setup fee 3.5% of mortgage amount to be deducted from proceeds of mortgage on first draw.
3. Require a builder's risk policy naming the lender (s) as first loss payee in an amount equivalent to the total loan amount of \$1,800,000.00 or replacement value.
4. Security documentation shall include a demand loan agreement and demand promissory note to be secured by collateral mortgages on the properties listed on page one.
5. The title to the property must be satisfactory to our solicitor and the mortgage must be a first charge on the property. The borrower is required to seek independent legal council, the expense of this is the sole responsibility of the borrower, whether the loan is carried out or not
6. Lender documentation to be prepared by the law firm of:
Cox Taylor Professional Corp., 3rd Floor, 26 Bastion Square Victoria, BC V8W 1H9
Tel # 250-388-4457, Fax # 250-382-4236
Further, that all costs incurred in the preparation, execution, registration, assignment, perfection and discharge of the mortgage shall be the responsibilities of the borrower.
7. Receipt of transmittal letter from Metro Appraisal Corporation, costs to be paid by the borrower.
8. Borrower agrees that the growing tables, lights and mechanical and electrical equipment form an integral part of the security and value of the property. The borrower further covenants not to remove alter or pledge any part of security value while there is a loan balance outstanding, without the express written consent of the lender.
9. Borrower agree not to sell, transfer or otherwise dispose of its license to cultivate and or process cannabis and it constitute by products without prior written consent from the lender.
10. Satisfactory review of Health Canada license and approvals.
11. Satisfactory site inspection.
12. Satisfactory review of credit report for which Builders Capital will require authorization and the provision of social insurance number and identification



builderscapital.ca

Office 403.685.9888

Fax 403.225.9470

13. The borrower agrees that the lender may place advertising signage in a prominent position on the mortgaged property.

14. COMMITMENT EXPIRES APRIL 5, 2021 AT NOON AND MAY NOT BE RE-ISSUED IN THE FUTURE ON THE SAME TERMS AND CONDITIONS IF AT ALL.


Borrower Acceptance:

Applicant Signature: [Signature] Name: Markin Tobias Date: Apr 1/21

Guarantor Signature: [Signature] Name: Markin Tobias Date: Apr 1/21

Guarantor Signature: [Signature] Name: GARLEON LAY Date: April 1, 2021

This is Exhibit " **I** " referred to in the af-
fidavit of **Marlin Tobias**
sworn before me at **Salmon Arm**
this **13** day of **November 20, 24**


A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883

PROMISSORY NOTE

DATE: December 31, 2021

PRINCIPAL: As set in Schedule A

FOR VALUE RECEIVED, CannGroup Development Corp. ("**Borrower**") hereby acknowledges itself indebted to and promises to pay to or to the order of Marlin Kirby Tobias and Carleen Mary Roth and their respective heirs, executors, administrators, successors or assigns (collectively, the "**Lenders**") the amount set out in Schedule A and as amended from time to time ("**Principal**") in lawful money of Canada, within 60 days of written demand from the Lenders, at such place as the Lenders may designate, in accordance with the terms of this promissory note.

Interest. Interest is payable on the outstanding portion of the Principal until the Principal is repaid in full at the rate of 12% per annum, calculated and payable monthly in arrears, both before and after judgment, with interest on overdue interest at the aforesaid rate ("**Interest**").

Application of Payments. Any amount paid in satisfaction of the indebtedness evidenced by this promissory note shall be applied firstly in satisfaction of any accrued and unpaid Interest, and then the remaining portion of such amount shall be applied in satisfaction of the Principal owing hereunder.

Prepayment. At any time, from time to time, any portion of the Principal may be prepaid without any notice being given to the Lenders and without any bonus or penalty or further interest on such portion being paid to the Lenders provided that all amounts, whether on account of Principal or Interest, which are due and payable hereunder have been paid.

Non-Waiver. The extension of the time by the Lenders for making any payment which is due and payable hereunder at any time or times or the failure, delay or omission on the part of the Lenders to exercise or enforce any of their rights or remedies hereunder or under any instrument securing payment of the indebtedness evidenced by this promissory note shall not constitute a waiver of the right of the Lenders to enforce such rights and remedies thereafter.

Waiver of Benefits. The Borrower hereby waives presentment, demand, protest, notice of dishonour, notice of protest, notice of non-payment and notice of any kind and agrees that it shall remain liable in respect of this promissory note as if presentment, demand, protest, notice of dishonour, notice of protest, notice of non-payment and any other notice had been duly made or given.

No Deduction. The Borrower will pay all Principal and Interest without set-off or counterclaim and without deduction or withholding for or on account of any present or future taxes, levies duties, imposts, or other charges of any kind.

Applicable Law. This promissory note shall be governed by and construed in accordance with the laws of the province of British Columbia and the federal laws of Canada applicable therein. The undersigned hereby irrevocably attorns to the exclusive jurisdiction of the Courts of British Columbia with respect to any matter arising hereunder or related hereto.

Time of the Essence. Time shall in all respects be of the essence of this promissory note.

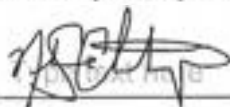
- 2 -

Assignment and Enforceability. This promissory note ensures to the benefit of and is binding upon the Borrower and the Lenders and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not assign or transfer any or all of its rights or obligations under this promissory note to any corporation, partnership, individual or other legal entity without the prior consent of the Lenders.

Further Assurances. The Borrower shall from time to time promptly upon the reasonable request by the Lenders do and execute all such acts and documents as may reasonably be required by the Lenders to give effect to the intentions hereof.

IN WITNESS WHEREOF, the Borrower has caused this promissory note to be duly executed and delivered on the date first above written.

CannGroup Development Corp.



Nicole Chetwynd, CFO

CannGroup Development Corp.



Marlin Tobias, President

Commented [NC1]:

- 3 -

SCHEDULE A

As at 31 March, 2022

	Carleen Roth	Marlin Tobias	Total
Shareholder loans	37,686.92	115,843.95	153,530.88
Unpaid wages	30,000.00	150,000.00	180,000.00
Accounts payable	93,306.01	93,306.01	186,612.01
	160,992.93	359,149.96	520,142.89

This is Exhibit " **J** " referred to in the af-
fidavit of **Marlin Tobias**
sworn before me at **Salmon Arm**
this **13** day of **November** 20**24**



A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 – 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883

DECLARATION(S) ATTACHED



Land Title Act

Charge, Notation or Filing

KAMLOOPS LAND TITLE OFFICE

JAN 30 2023 10:48:54.001

CB451209

1. Application Deduct LTO Fees: Yes Document Fees: \$75.32

DAVIDSON LAWYERS LLP
Barristers and Solicitors
#301 - 3126 31st Avenue
Vernon BC V1T 2H1
2505421177

File No. 99139001

2. Description of Land

FID/Plan Number	Legal Description
012-818-526	THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741

3. Nature of Charge, Notation, or Filing

Type	Affected Number	Additional Information
CRYSTALLIZED FLOATING CHARGE		

4. Person Entitled to be Registered as Charge Owner

MARLIN KIRBY TOBIAS	BUSINESSMAN
CARLEEN MARY ROTH	BUSINESSWOMAN
152 N ABERDEEN ROAD COLDSTREAM BC V1B 3B6	
AS JOINT TENANTS	

Electronic Signature

Your electronic signature is a representation that
(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250,
and that you are authorized to electronically sign this application by an e-filing
direction made under section 168.22(2) of the act, and

(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*,
RSBC 1996 c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting
document, if a true copy is allowed under an e-filing direction, is in your possession.

**Taylor Maureen
Sheardown
QPQTXG**

Digitally signed by
Taylor Maureen
Sheardown QPQTXG
Date: 2023-01-30
10:42:15 -08:00

STATUTORY DECLARATION AS TO CRYSTALLIZATION

CANADA)	IN THE MATTER OF a floating charge granted by CannGroup Development Corp. in favour of Marlin Tobias and Carleen Roth by a general Security agreement (the "GSA") dated July 4, 2022.
)	
)	
)	
)	
PROVINCE OF BRITISH COLUMBIA)	

I, Marlin Tobias, of 152 N Aberdeen Road, Coldstream, British Columbia, DO SOLEMNLY DECLARE THAT:

1. I, along with my spouse, Carleen Roth (collectively, the "Lender"), advanced funds to CannGroup Development Corp. (the "Debtor") and have knowledge of the matters hereinafter deposed to.
2. Under the terms of the GSA, attached as Schedule A, in addition to charges therein provided for, the Debtor, under Section 1.1(b), charged as and by way of a floating charge, to and in favour of the Lender all its title and interest in and to all its presently owned or held and after acquired or held real, immovable and leasehold property and all interests therein.
3. Section 11.2 of the GSA provides that if the Debtor defaults under Section 11.1 thereunder, the floating charge created by the GSA over real property shall become a fixed charge thereon.
4. The Debtor is in default under Section 11.1(a) of the GSA for failure to pay when due any indebtedness or liability of the Debtor to the Lender.
5. The Debtor is in further default under Section 11.1(h) of the GSA by registration of a judgment, registration no. CB101509, and a certificate of pending litigation, registration no. CB101795, on the Debtor's real property legally described as

PID: 012-818-526
THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741

(the "Lands").
6. The Debtor's default under Sections 11.1(a) and 11.1(h) of the GSA has crystallized the floating charge granted by the Debtor under the GSA and the Lender has provided notice thereof in the form attached as Schedule B.

7. I make this declaration in support of an application for the registration of the GSA as a fixed and specific charge against the Lands, by virtue of the floating charge granted by the Debtor under the GSA.

AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

SWORN BEFORE ME at Vernon,
British Columbia, this 26th day of
January, 2023.



A Commissioner for taking
Affidavits for British Columbia



Marlin Tobias

TAYLOR SHEARDOWN
Lawyer
DAVIDSON LAWYERS LLP
301 - 3126 31st Avenue
Vernon, British Columbia V1T 2H1

SCHEDULE A

(SEE ATTACHED)

GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made the 4th day of July 2022.

BETWEEN:

CANNGROUP DEVELOPMENT CORP., a corporation incorporated
under the laws of the British Columbia

("Debtor")

AND

Marlin Tobias and Carleen Roth, individuals with a residential address of 152 N
Aberdeen Road, Coldstream, BC V1B 3B6

("Secured Party")

IN CONSIDERATION OF the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the undersigned), the undersigned hereby agree as follows:

1. SECURITY INTEREST

1.1 For consideration and as security for the payment and performance of the Obligations (defined below) the Debtor does hereby:

- (a) mortgage and charge as and by way of a fixed and specific charge, and assign and transfer to the Secured Party, and grant to the Secured Party a security interest in, all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held personal property, of whatever nature or kind and wheresoever situate, and all proceeds thereof and therefrom, including:
 - (i) all equipment, including, without limiting the generality of the foregoing, machinery, tools, fixtures, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing (all of which is hereinafter collectively called the "Equipment");
 - (ii) all inventory, including, without limiting the generality of the foregoing, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is hereinafter collectively called the "Inventory");



(03697275,1)

- (iii) all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, demands, monies and choses in action or any part thereof (all of which is hereinafter collectively called the "Accounts");
 - (iv) all documents of title, chattel paper, instruments, securities and money, and all other goods of the Debtor that are not Equipment, Inventory or Accounts;
 - (v) all contractual rights, licenses, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor, all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all other intangible property of the Debtor, which is not Accounts, chattel paper, instruments, documents of title, securities or money; and
- (b) charge as and by way of a floating charge, and grant to the Secured Party a security interest in and to:
- (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real, immovable and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant and other fixtures (all of which is hereinafter collectively called the "Real Property"), and
 - (ii) all assets and undertakings of the Debtor, of whatsoever nature or kind and wheresoever situate, and all proceeds thereof and therefrom, other than such of its assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party pursuant to this Section 1.1.

1.2 The charges, assignments and transfers and security interests granted pursuant to Section 1.1 are hereinafter collectively called the "Security Interests", and the property subject to the Security Interests, and all property, assets and undertakings expressed to be charged, assigned or transferred or secured by any instruments supplemental hereto or in implementation hereof are hereinafter collectively called the "Collateral".

2. EXCEPTIONS

2.1 The last 10 days of the term created by any lease or agreement therefor are hereby excepted out of any charge or security interest created by this Agreement but the Debtor shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as the Secured Party shall direct.

(03847275;1)

2.2 All consumer goods of the Debtor are hereby excepted out of the Security Interests created by this Agreement.

3. ATTACHMENT

The Debtor acknowledges that the Security Interests hereby created attach upon the execution of this Agreement (or in the case of any after acquired property, upon the date of acquisition thereof); that value has been given, and that the Debtor has (or in the case of any after acquired property, will have upon the date of acquisition) rights in the Collateral.

4. PROHIBITIONS

Without the prior written consent of the Secured Party the Debtor shall not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, or undertakings which ranks or could in any event rank in priority to or pari passu with any of the Security Interests created by this Agreement, other than the security set out in Schedule A ("Permitted Security"); and
- (b) grant, sell or otherwise assign its chattel paper.

5. OBLIGATIONS SECURED


This Agreement and the Security Interests hereby created are in addition to and not in substitution for any other security interest now or hereafter held by the Secured Party from the Debtor or from any other person whomsoever and shall be general and continuing security for the payment of all indebtedness and liability of the Debtor to the Secured Party (including interest thereon), present and future, absolute or contingent, joint or several, direct or indirect, matured or not; extended or renewed, whatsoever and howsoever incurred, and any ultimate balance thereof, including all future advances and re-advances and for the performance of all obligations of the Debtor to the Secured Party, whether or not contained in this Agreement (all of which indebtedness, liability and obligations are hereinafter collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

6.1 The Debtor represents and warrants that:

- (a) if the Debtor is corporation, it is duly incorporated and organized, and is validly subsisting, under the laws of the province of British Columbia and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction;
- (b) if the Debtor is corporation, all necessary corporate action has been taken by it or on its part to authorize its execution and delivery of this Agreement and the performance of its obligations hereunder;

(03047275;1)



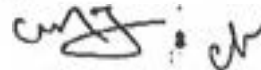
- (c) this Agreement has been duly executed and delivered by it and (assuming due execution and delivery by the other party) is a legal, valid and binding obligation of it enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction; and
- (d) it lawfully owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens and claims, save only the Permitted Security and charges or security interests, if any, consented to in writing by the Secured Party, and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Agreement.

7. COVENANTS OF THE DEBTOR

7.1 The Debtor covenants that at all times while this Agreement remains in effect the Debtor will:

- (a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons other than claims and demand under the Permitted Security;
- (b) fully and effectually maintain and keep maintained the Security Interests hereby created valid and effective;
- (c) maintain the Collateral in good order and repair;
- (d) forthwith pay:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to any Security Interests, except in respect of the Permitted Security and otherwise to the extent consented to in writing by the Secured Party;
- (e) forthwith pay all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Secured Party in:
 - (i) taking, recovering and keeping possession of the Collateral; and
 - (ii) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Agreement;

(02847275;1)



- (f) at the Secured Party's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party acting reasonably requires in order to confirm and perfect, and maintain perfection of, the Security Interests hereby created in favour of the Secured Party upon any of the Collateral; and
- (g) notify the Secured Party promptly of any material default under any other security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to any security interest created by this Agreement;
- (h) prevent Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted hereby, from being or becoming an accession to other property not covered by this Agreement; and
- (i) carry on and conduct its business in a proper and business-like manner.

8. INSURANCE

8.1 The Debtor covenants that at all times while this Agreement is in effect the Debtor shall maintain or cause to be maintained insurance on the Collateral to the full insurable value against loss or damage by fire including extended coverage endorsement and in the case of motor vehicles, maintain insurance against theft.

8.2 The Debtor will forthwith, on the happening of loss or damage to the Collateral, notify the Secured Party thereof.

8.3 If the Debtor fails to maintain insurance as required by Section 8.1, the Secured Party may, but shall not be obligated to, maintain or effect such insurance coverage, or so much thereof as the Secured Party considers necessary for its protection.

9. PERFORMANCE OF OBLIGATIONS

9.1 If the Debtor fails to perform its obligations hereunder, the Secured Party may, but shall not be obliged to, perform any or all of such obligations without prejudice to any other rights and remedies of the Secured Party hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith, shall be payable by the Debtor to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations.

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

10.1 Except as herein provided, as required pursuant to the Permitted Security, or in the ordinary course of business, the Debtor shall not:

- (a) sell, lease or otherwise dispose of the Collateral;

(03847275;1)

- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests hereby created have been perfected;

without the prior written consent of the Secured Party

10.2 Provided that the Debtor is not in default under this Agreement, at any time without the consent of the Secured Party, the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.

11. DEFAULT

11.1 The Debtor shall be in default under this Agreement unless waived by the Secured Party, in any of the following events:

- (a) the Debtor fails to pay when due any indebtedness or liability of the Debtor to the Secured Party if such default remains uncured for the cure period stipulated in the relevant agreement;
- (b) the Debtor is in breach of any other material term, condition, obligation or covenant to the Secured Party contained in:
 - (i) this Agreement and such breach is not cured within 30 days of written notice; and
 - (ii) any other agreement between the Debtor and the Secured Party and such breach remains uncured for the period stipulated in the relevant agreement;
- (c) the Debtor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act*, the *Companies Creditors' Arrangement Act* or similar legislation in any jurisdiction, or makes an authorized assignment;
- (d) a receiver, receiver and manager or receiver-manager of all or any part of the Collateral is appointed;
- (e) if the Debtor is a corporation, an order is made or an effective resolution is passed for winding up the Debtor;
- (f) the Debtor ceases or threatens to cease to carry on all or a substantial part of its

(03047275;1)



business;

- (g) an order of execution against the Debtor, the Collateral or any part thereof remains unsatisfied for a period of 10 days;
- (h) without the prior written consent of the Secured Party, the Debtor creates or permits to exist any security interest in, charge, encumbrance, lien on or claim against any of the Collateral which ranks or could in any event rank in priority to or pari passu with any of the Security Interests created by this Security Agreement other than the Permitted Security;
- (i) the Debtor shall commit any act of default under any other security interest, charge, encumbrance, lien or claim on the Collateral; or
- (j) if the Debtor is a corporation, the Debtor enters into an amalgamation, a merger or other similar arrangement with any other person.

11.2 For the purposes of Section 203 of the *Land Title Act* (British Columbia), the floating charge created by this Agreement over Real Property shall become a fixed charge thereon upon the earliest of:

- (a) the occurrence of an event described in Section 11.1; or
- (b) the Secured Party taking any action pursuant to Section 12 to enforce and realize on the Security Interests created by this Agreement.

12. ENFORCEMENT

12.1 Upon any default under this Agreement the Secured Party may declare any or all of the Obligations not payable on demand to become immediately due and payable and the security hereby constituted will immediately become enforceable. To enforce and realize on the Security Interests created by this Agreement the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular without limiting the generality of the foregoing, the Secured Party may do any of the following:

- (a) appoint by instrument an interim receiver, a receiver, a receiver and manager or a receiver manager (the person so appointed being hereinafter called the "Receiver") of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion, remove such Receiver and appoint another in its stead;
- (b) institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral;

(03047275;1)

- (c) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;
- (d) collect, realize, sell or otherwise deal with the Accounts or any part thereof in such manner, upon such terms and conditions and at such time or times, as may seem to it advisable, without notice to the Debtor, except in the case of disposition after default and then subject to the provisions of Part V of the Act;
- (e) preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as the Secured Party may deem advisable;
- (f) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and
- (g) exercise all of the rights and remedies of a secured party under the Act.

12.2 A Receiver appointed pursuant to this Agreement shall be the agent of the Debtor and not of the Secured Party and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Secured Party hereunder, and in addition shall have power to carry on the business of the Debtor and for such purpose from time to time to borrow money either secured or unsecured, and if secured by a security interest on any Collateral, such security interest may rank before or pari passu with or behind any of the Security Interests created by this Agreement, and if it does not so specify such security interest shall rank in priority to the Security Interests created by this Agreement.

12.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Agreement, all amounts realized from the disposition of Collateral pursuant to this Agreement will be applied as the Secured Party as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by the Secured Party in connection with or incidental to:
 - (i) the exercise by the Secured Party of all or any of the powers granted to it pursuant to this Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;

- (b) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations; and
- (c) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus will be paid to the Debtor.

13. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtor will immediately pay to the Secured Party the amount of such deficiency.

14. LIABILITY OF SECURED PARTY

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfillment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as herein provided, nor shall the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall the Secured Party, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than aforesaid.

15. APPOINTMENT OF ATTORNEY

The Debtor hereby irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, pursuant to this Agreement.

16. CONSOLIDATION

In accordance with the *Property Law Act* (British Columbia), the doctrine of consolidation applies to this Agreement.

(03/07275;1)

Handwritten signatures and initials, including a large signature and the initials 'ch'.

17. WAIVER

The Secured Party may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be. No waiver shall be effective unless it is in writing.

18. NOTICE

Any notice or other communication required or permitted to be given in this Agreement shall be in writing and shall be given in person, by e-mail or by mail as hereafter provided; Any such notice or other communication: (i) if sent by email shall be deemed to have been received on the Business Day following the sending; (ii) if delivered by hand, shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee; or (iii) if sent by mail, on the fifth Business Day in the place where the notice is received after mailing, or, in the case of disruption of postal service, on the fifth such Business Day after cessation of that disruption. Notices and other communications shall be addressed as follows:

- (i) in the case of Debtor:

#480, 116-5100 Anderson Way, Vernon, BC V1T 0C4
Attention: Marlin Tobias
Email Address: marlin@canngroupcorp.com

- (ii) in the case of Secured Party:

Attention: Marlin Tobias and Carleen Roth
Email Address: marlintobias@yahoo.com and carleenroth@yahoo.com

19. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of Security Interests and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others and with Collateral and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the Security Interests created by this Agreement.

20. NO MERGER

This Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Secured Party

(03847275;1)

from the Debtor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Agreement.

21. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Agreement, and in any other security agreement held by the Secured Party from the Debtor or any other person whomsoever to secure payment and performance of the Obligations, are cumulative and no right or remedy contained herein or therein is intended to be exclusive but each is in addition to every other right or remedy contained herein or therein or in any future security agreement, or now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

22. ASSIGNMENT

Neither party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement to any person without the prior written consent of the other party.

23. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Secured Party shall be deemed not to be a redemption or discharge of this Agreement. The Debtor shall be entitled to a release and discharge of this Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Debtor.

24. ENUREMENT

This Agreement shall enure to the benefit of the Secured Party and their respective heirs, executors, administrators, successors and assigns, and shall be binding upon the successors and permitted assigns of the Debtor.

25. INTERPRETATION

25.1 In this Agreement:

- (a) "Collateral" has the meaning set out in Section 1 hereof and any reference to Collateral shall, unless the context otherwise requires, be deemed to be a reference to Collateral as a whole or any part thereof;
- (b) "the Act" means the *Personal Property Security Act* (British Columbia) and all regulations thereunder, as amended from time to time.

- (c) Wherever the neuter is used throughout this Agreement the same shall be construed as meaning masculine or the feminine and the singular shall include the plural as the contexts so requires.

25.2 Words and expressions used herein that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined herein or unless the context otherwise requires.

25.3 The invalidity or unenforceability of the whole or any part of any clause of this Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause.

25.4 The headings of the clauses of this Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Agreement.

25.5 This Agreement shall be governed by the laws of British Columbia.

25.6 All covenants made by or liabilities imposed upon the Debtor if more than one, shall be joint and several.

26. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor hereby:

- (a) acknowledges receiving a copy of this Agreement, and
- (b) waives all rights to receive from the Secured Party a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Agreement.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

Handwritten signatures and initials, including a large signature and the initials 'Ch'.

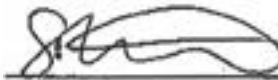
IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

CannGroup Development Corp.

By: 

Name: Marlin Tobias
Title: President

SIGNED, SEALED AND DELIVERED in the presence of:



Name


3015 Rosedale Ave, Armstrong BC
Address

Bookkeeper
Occupation



Marlin Tobias, Lender


SIGNED, SEALED AND DELIVERED in the presence of:



Name

3015 Rosedale Ave, Armstrong BC
Address

Bookkeeper
Occupation



Carleen Roth, Lender

{03847275;1}

SCHEDULE A

PERMITTED SECURITY

1. Builder's Capital 1st mortgage in an amount not to exceed \$1.7m CDN (one million seven hundred thousand dollars in Canadian funds).
- 2.

(03847278/1)

SCHEDULE B

- TO: CannGroup Development Corp. c/o 301, 2706 – 30th Avenue, Vernon, British Columbia, V1T 2B6

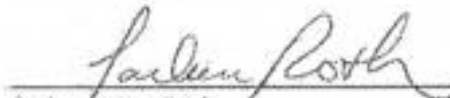
- TO: Registrar of Companies
British Columbia

NOTICE OF CRYSTALLIZATION

Pursuant to a general security agreement (the "GSA") dated July 4, 2022, granted by CannGroup Development Corp. (the "Debtor") to Marlin Tobias and Carleen Roth (the "Lender"), the Lender declares that the floating charge in the GSA is hereby crystallized and fixed on all the property and assets of the Debtor that before this notice were subject only to the floating charge.

DATED the 26th day of January, 2023.


Marlin Kirby Tobias


Carleen Mary Roth

**LAND TITLE ACT
FORM DECLARATION**

Related Document Number: CB451209


PAGE 1 OF 2 PAGES

Your electronic signature is a representation that

(a) you are a subscriber under section 168.6 of the Land Title Act, RSBC 1996 c.250, and that you are authorized to electronically sign this document by an e-filing direction made under section 168.22(2) of the act, or

(b) you are a designate authorized to certify this application under section 168.4 of the Land Title Act, RSBC 1996, c.250, that you certify this application under section 168.4(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession, or

(c) if the purpose of this declaration is to bring to the attention of the registrar an error, omission or misdescription in a previously submitted document under section 168.55 of the act, you certify that, based on your personal knowledge or reasonable belief, this declaration sets out the material facts accurately.



Digitally signed by
Taylor Maureen
Sheardown QPQTXG
Date: 2023.02.15
11:05:26 -08'00'

I, Nicole Watson, Paralegal, declare that:

1. The support documents for the application for a crystallized floating charge have not been executed in accordance with Part 5 of the Land Title Act.
2. Please see attached Affidavit of Execution.
3. The title is subject to a Certificate of Pending Litigation which restricts dealings.
4. Through inadvertance, it was not identified in the Additional Information beside No. 1 Application on the Form 17 that the Crystallized Floating Charge is Subject to the CPL.

Additional Information should read:

File No. 99139001
Subject to CPL No. CB101795

I make this declaration based on personal information/reasonable belief.

Nicole Watson, Paralegal
Davidson Lawyers LLP
#301 - 3126 31st Avenue
Vernon, BC V1T 2H1

NOTE:

A Declaration cannot be used to submit a request to the Registrar for the withdrawal of a document.

Fee Collected for Document: \$14.78

CANADA
PROVINCE OF BRITISH COLUMBIA

AFFIDAVIT OF EXECUTION

I, Shaye Austin, of Armstrong, in the Province of British Columbia, MAKE OATH AND SAY:

1. I am 16 years of age or older and am acquainted with the persons named as the Secured Party and the authorized signatory of the Debtor in the general security agreement (the "GSA") dated July 4, 2022.
2. I am acquainted with the signatures of the Secured Party, MARLIN TOBIAS and CARLEEN ROTH, through an in person meeting and ongoing business relationship, and believe that the signatures subscribed to the GSA are the signatures of the Secured Party.
3. I am acquainted with the signature of the authorized signatory, MARLIN TOBIAS, of the Debtor, CANGROUP DEVELOPMENT CORP., through an in person meeting and ongoing business relationship, and believe that the signature subscribed to the GSA is the signature of the authorized signatory of the Debtor.
4. I am acquainted with the Debtor and have personal knowledge of the matters contemplated in section 44 of the *Land Title Act*, R.S.B.C. 1996, c. 250 that would otherwise be acknowledged by the authorized signatory before an officer under that section.
5. The signatures of the Secured Party and the authorized signatory of the Debtor were not certified by an officer under Part 5 of the *Land Title Act* because the parties were not aware that it was a requirement.
6. This section 49 affidavit is made to provide evidence of compliance with the requirements of Part 5 of the *Land Title Act*.

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at Armstrong, in the Province of British Columbia on the 15 day of February, 2023.


A Commissioner for taking Affidavits for British Columbia

SENAD SJERCIC
Notary Public
22 - 3300 Smith Dr. Box 552
Armstrong, BC V0E 1B0
(250) 546-9797


Shaye Austin



Related Document Number: CB451209
Fee Collected for Document: \$0.00

Land Title Act

(Section 216(2)(b))

ELECTION AND AUTHORIZATION

To: Registrar of Titles

Land Title District

Re: Application to Register Crystallized Floating Charge in Respect of Land Described as:

PID: 012-818-526

THE SOUTH EASET 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741

We, the undersigned, being the persons named in the above mentioned instrument

(a) elect to proceed with the registration of my interest subject to the certificate of pending litigation registered under No. CB101795, and

(b) authorize the registrar to register the charge claimed by us subject to the certificate of pending litigation.

Date: February 27, 2023

Marlin Kirby Tobias

Carleen Mary Roth

Please see attached re-signed General Security Agreement, executed in accordance with the Land Title Act.

Electronic Signature

Your electronic signature is a representation that

- (a) You are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250, and that you are authorized to electronically sign this document by an e-filing direction made under section 168.22(2) of the act, or
- (b) You are a designate authorized to certify this application under section 168.4 of the *Land Title Act*, RSBC 1996, c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession, or
- (c) If the purpose of this declaration is to bring to the attention of the registrar an error, omission or misdescription in a previously submitted document under section 168.55 of the act, you certify that, based on your personal knowledge or reasonable belief, this declaration sets out the material facts accurately.

Taylor Maureen Sheardown QPQTXG

Digitally signed by Taylor Maureen Sheardown QPQTXG
Date: 2023-02-28 09:52:38 -08:00

Note: A Declaration cannot be used to submit a request to the Registrar for the withdrawal of a document.

GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made the 4th day of July 2022.

BETWEEN:

CANNGROUP DEVELOPMENT CORP., a corporation incorporated
under the laws of the British Columbia

("Debtor")

AND

Marlin Tobias and Carleen Roth, individuals with a residential address of 152 N
Aberdeen Road, Coldstream, BC V1B 3B6

("Secured Party")

IN CONSIDERATION OF the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the undersigned), the undersigned hereby agree as follows:

1. SECURITY INTEREST

1.1 For consideration and as security for the payment and performance of the Obligations (defined below) the Debtor does hereby:

- (a) mortgage and charge as and by way of a fixed and specific charge, and assign and transfer to the Secured Party, and grant to the Secured Party a security interest in, all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held personal property, of whatever nature or kind and wheresoever situate, and all proceeds thereof and therefrom, including:
 - (i) all equipment, including, without limiting the generality of the foregoing, machinery, tools, fixtures, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing (all of which is hereinafter collectively called the "Equipment");
 - (ii) all inventory, including, without limiting the generality of the foregoing, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is hereinafter collectively called the "Inventory");

- (iii) all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, demands, monies and choses in action or any part thereof (all of which is hereinafter collectively called the "Accounts");
 - (iv) all documents of title, chattel paper, instruments, securities and money, and all other goods of the Debtor that are not Equipment, Inventory or Accounts;
 - (v) all contractual rights, licenses, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor, all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all other intangible property of the Debtor, which is not Accounts, chattel paper, instruments, documents of title, securities or money; and
- (b) charge as and by way of a floating charge, and grant to the Secured Party a security interest in and to:
- (i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real, immovable and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant and other fixtures (all of which is hereinafter collectively called the "Real Property"), and
 - (ii) all assets and undertakings of the Debtor, of whatsoever nature or kind and wheresoever situate, and all proceeds thereof and therefrom, other than such of its assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party pursuant to this Section 1.1.

1.2 The charges, assignments and transfers and security interests granted pursuant to Section 1.1 are hereinafter collectively called the "Security Interests", and the property subject to the Security Interests, and all property, assets and undertakings expressed to be charged, assigned or transferred or secured by any instruments supplemental hereto or in implementation hereof are hereinafter collectively called the "Collateral".

2. EXCEPTIONS

2.1 The last 10 days of the term created by any lease or agreement therefor are hereby excepted out of any charge or security interest created by this Agreement but the Debtor shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as the Secured Party shall direct.

2.2 All consumer goods of the Debtor are hereby excepted out of the Security Interests created by this Agreement.

3. ATTACHMENT

The Debtor acknowledges that the Security Interests hereby created attach upon the execution of this Agreement (or in the case of any after acquired property, upon the date of acquisition thereof), that value has been given, and that the Debtor has (or in the case of any after acquired property, will have upon the date of acquisition) rights in the Collateral.

4. PROHIBITIONS

Without the prior written consent of the Secured Party the Debtor shall not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, or undertakings which ranks or could in any event rank in priority to or pari passu with any of the Security Interests created by this Agreement, other than the security set out in Schedule A ("Permitted Security"); and
- (b) grant, sell or otherwise assign its chattel paper.

5. OBLIGATIONS SECURED

This Agreement and the Security Interests hereby created are in addition to and not in substitution for any other security interest now or hereafter held by the Secured Party from the Debtor or from any other person whomsoever and shall be general and continuing security for the payment of all indebtedness and liability of the Debtor to the Secured Party (including interest thereon), present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate balance thereof, including all future advances and re-advances and for the performance of all obligations of the Debtor to the Secured Party, whether or not contained in this Agreement (all of which indebtedness, liability and obligations are hereinafter collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

6.1 The Debtor represents and warrants that:

- (a) if the Debtor is corporation, it is duly incorporated and organized, and is validly subsisting, under the laws of the province of British Columbia and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction;
- (b) if the Debtor is corporation, all necessary corporate action has been taken by it or on its part to authorize its execution and delivery of this Agreement and the performance of its obligations hereunder;

- (c) this Agreement has been duly executed and delivered by it and (assuming due execution and delivery by the other party) is a legal, valid and binding obligation of it enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction; and
- (d) it lawfully owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens and claims, save only the Permitted Security and charges or security interests, if any, consented to in writing by the Secured Party, and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Agreement.

7. COVENANTS OF THE DEBTOR

7.1 The Debtor covenants that at all times while this Agreement remains in effect the Debtor will:

- (a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons other than claims and demand under the Permitted Security;
- (b) fully and effectually maintain and keep maintained the Security Interests hereby created valid and effective;
- (c) maintain the Collateral in good order and repair;
- (d) forthwith pay:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to any Security Interests, except in respect of the Permitted Security and otherwise to the extent consented to in writing by the Secured Party;
- (e) forthwith pay all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Secured Party in:
 - (i) taking, recovering and keeping possession of the Collateral; and
 - (ii) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Agreement;

- (f) at the Secured Party's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party acting reasonably requires in order to confirm and perfect, and maintain perfection of, the Security Interests hereby created in favour of the Secured Party upon any of the Collateral; and
- (g) notify the Secured Party promptly of any material default under any other security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to any security interest created by this Agreement;
- (h) prevent Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted hereby, from being or becoming an accession to other property not covered by this Agreement; and
- (i) carry on and conduct its business in a proper and business-like manner.

8. INSURANCE

8.1 The Debtor covenants that at all times while this Agreement is in effect the Debtor shall maintain or cause to be maintained insurance on the Collateral to the full insurable value against loss or damage by fire including extended coverage endorsement and in the case of motor vehicles, maintain insurance against theft.

8.2 The Debtor will forthwith, on the happening of loss or damage to the Collateral, notify the Secured Party thereof.

8.3 If the Debtor fails to maintain insurance as required by Section 8.1, the Secured Party may, but shall not be obligated to, maintain or effect such insurance coverage, or so much thereof as the Secured Party considers necessary for its protection.

9. PERFORMANCE OF OBLIGATIONS

9.1 If the Debtor fails to perform its obligations hereunder, the Secured Party may, but shall not be obliged to, perform any or all of such obligations without prejudice to any other rights and remedies of the Secured Party hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith, shall be payable by the Debtor to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations.

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

10.1 Except as herein provided, as required pursuant to the Permitted Security, or in the ordinary course of business, the Debtor shall not:

- (a) sell, lease or otherwise dispose of the Collateral;

- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests hereby created have been perfected;

without the prior written consent of the Secured Party

10.2 Provided that the Debtor is not in default under this Agreement, at any time without the consent of the Secured Party, the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.

11. DEFAULT

11.1 The Debtor shall be in default under this Agreement unless waived by the Secured Party, in any of the following events:

- (a) the Debtor fails to pay when due any indebtedness or liability of the Debtor to the Secured Party if such default remains uncured for the cure period stipulated in the relevant agreement;
- (b) the Debtor is in breach of any other material term, condition, obligation or covenant to the Secured Party contained in:
 - (i) this Agreement and such breach is not cured within 30 days of written notice; and
 - (ii) any other agreement between the Debtor and the Secured Party and such breach remains uncured for the period stipulated in the relevant agreement;
- (c) the Debtor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act*, the *Companies Creditors' Arrangement Act* or similar legislation in any jurisdiction, or makes an authorized assignment;
- (d) a receiver, receiver and manager or receiver-manager of all or any part of the Collateral is appointed;
- (e) if the Debtor is a corporation, an order is made or an effective resolution is passed for winding up the Debtor;
- (f) the Debtor ceases or threatens to cease to carry on all or a substantial part of its

business;

- (g) an order of execution against the Debtor, the Collateral or any part thereof remains unsatisfied for a period of 10 days;
- (h) without the prior written consent of the Secured Party, the Debtor creates or permits to exist any security interest in, charge, encumbrance, lien on or claim against any of the Collateral which ranks or could in any event rank in priority to or pari passu with any of the Security Interests created by this Security Agreement other than the Permitted Security;
- (i) the Debtor shall commit any act of default under any other security interest, charge, encumbrance, lien or claim on the Collateral; or
- (j) if the Debtor is a corporation, the Debtor enters into an amalgamation, a merger or other similar arrangement with any other person.

11.2 For the purposes of Section 203 of the *Land Title Act* (British Columbia), the floating charge created by this Agreement over Real Property shall become a fixed charge thereon upon the earliest of:

- (a) the occurrence of an event described in Section 11.1; or
- (b) the Secured Party taking any action pursuant to Section 12 to enforce and realize on the Security Interests created by this Agreement.

12. ENFORCEMENT

12.1 Upon any default under this Agreement the Secured Party may declare any or all of the Obligations not payable on demand to become immediately due and payable and the security hereby constituted will immediately become enforceable. To enforce and realize on the Security Interests created by this Agreement the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular without limiting the generality of the foregoing, the Secured Party may do any of the following:

- (a) appoint by instrument an interim receiver, a receiver, a receiver and manager or a receiver manager (the person so appointed being hereinafter called the "Receiver") of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion, remove such Receiver and appoint another in its stead;
- (b) institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral;

- (c) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;
- (d) collect, realize, sell or otherwise deal with the Accounts or any part thereof in such manner, upon such terms and conditions and at such time or times, as may seem to it advisable, without notice to the Debtor, except in the case of disposition after default and then subject to the provisions of Part V of the Act;
- (e) preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as the Secured Party may deem advisable;
- (f) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and
- (g) exercise all of the rights and remedies of a secured party under the Act.

12.2 A Receiver appointed pursuant to this Agreement shall be the agent of the Debtor and not of the Secured Party and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Secured Party hereunder, and in addition shall have power to carry on the business of the Debtor and for such purpose from time to time to borrow money either secured or unsecured, and if secured by a security interest on any Collateral, such security interest may rank before or pari passu with or behind any of the Security Interests created by this Agreement, and if it does not so specify such security interest shall rank in priority to the Security Interests created by this Agreement.

12.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Agreement, all amounts realized from the disposition of Collateral pursuant to this Agreement will be applied as the Secured Party as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by the Secured Party in connection with or incidental to:
 - (i) the exercise by the Secured Party of all or any of the powers granted to it pursuant to this Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;

- (b) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations; and
- (c) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus will be paid to the Debtor.

13. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtor will immediately pay to the Secured Party the amount of such deficiency.

14. LIABILITY OF SECURED PARTY

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfillment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as herein provided, nor shall the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall the Secured Party, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than aforesaid.

15. APPOINTMENT OF ATTORNEY

The Debtor hereby irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, pursuant to this Agreement.

16. CONSOLIDATION

In accordance with the *Property Law Act* (British Columbia), the doctrine of consolidation applies to this Agreement.

17. WAIVER

The Secured Party may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be. No waiver shall be effective unless it is in writing.

18. NOTICE

Any notice or other communication required or permitted to be given in this Agreement shall be in writing and shall be given in person, by e-mail or by mail as hereafter provided. Any such notice or other communication: (i) if sent by email shall be deemed to have been received on the Business Day following the sending; (ii) if delivered by hand, shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee; or (iii) if sent by mail, on the fifth Business Day in the place where the notice is received after mailing, or, in the case of disruption of postal service, on the fifth such Business Day after cessation of that disruption. Notices and other communications shall be addressed as follows:

- (i) in the case of Debtor:

#480, 116-5100 Anderson Way, Vernon, BC V1T 0C4
Attention: Marlin Tobias
Email Address: marlin@canngroupcorp.com

- (ii) in the case of Secured Party:

Attention: Marlin Tobias and Carleen Roth
Email Address: marlintobias@yahoo.com and carleenroth@yahoo.com

19. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of Security Interests and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others and with Collateral and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the Security Interests created by this Agreement.

20. NO MERGER

This Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Secured Party

from the Debtor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Agreement.

21. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Agreement, and in any other security agreement held by the Secured Party from the Debtor or any other person whomsoever to secure payment and performance of the Obligations, are cumulative and no right or remedy contained herein or therein is intended to be exclusive but each is in addition to every other right or remedy contained herein or therein or in any future security agreement, or now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

22. ASSIGNMENT

Neither party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement to any person without the prior written consent of the other party.

23. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Secured Party shall be deemed not to be a redemption or discharge of this Agreement. The Debtor shall be entitled to a release and discharge of this Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Debtor.

24. ENUREMENT

This Agreement shall enure to the benefit of the Secured Party and their respective heirs, executors, administrators, successors and assigns, and shall be binding upon the successors and permitted assigns of the Debtor.

25. INTERPRETATION

25.1 In this Agreement:

- (a) **"Collateral"** has the meaning set out in Section 1 hereof and any reference to Collateral shall, unless the context otherwise requires, be deemed to be a reference to Collateral as a whole or any part thereof;
- (b) **"the Act"** means the *Personal Property Security Act* (British Columbia) and all regulations thereunder, as amended from time to time.

- (c) Wherever the neuter is used throughout this Agreement the same shall be construed as meaning masculine or the feminine and the singular shall include the plural as the contexts so requires.

25.2 Words and expressions used herein that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined herein or unless the context otherwise requires.

25.3 The invalidity or unenforceability of the whole or any part of any clause of this Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause.

25.4 The headings of the clauses of this Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Agreement.

25.5 This Agreement shall be governed by the laws of British Columbia.

25.6 All covenants made by or liabilities imposed upon the Debtor if more than one, shall be joint and several.

26. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor hereby:

- (a) acknowledges receiving a copy of this Agreement, and
- (b) waives all rights to receive from the Secured Party a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Agreement.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

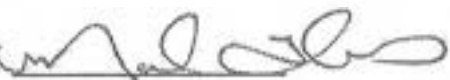
IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

Officer Certification

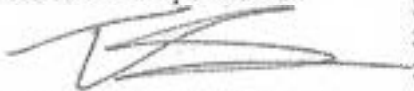


TAYLOR SHEARDOWN
Lawyer
DAVIDSON LAWYERS LLP
301 - 3126 31st Avenue
Vernon, British Columbia V1T 2H1

CannGroup Development Corp.

Per: 
Marlin Tobias, President

SIGNED, SEALED AND DELIVERED in the presence of:



Name
TAYLOR SHEARDOWN
Lawyer
DAVIDSON LAWYERS LLP
Address 301 - 3126 31st Avenue
Vernon, British Columbia V1T 2H1
Occupation


Marlin Tobias, Lender

SIGNED, SEALED AND DELIVERED in the presence of:



Name
TAYLOR SHEARDOWN
Lawyer
DAVIDSON LAWYERS LLP
Address 301 - 3126 31st Avenue
Vernon, British Columbia V1T 2H1
Occupation



Carleen Roth, Lender

SCHEDULE A

PERMITTED SECURITY

1. Builder's Capital 1st mortgage in an amount not to exceed \$1.7m CDN (one million seven hundred thousand dollars in Canadian funds).

This is Exhibit " **K** " referred to in the affidavit of **Marlin Tobias** sworn before me at **Salmon Arm** this **13** day of **November 20, 24**.


A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883



Land Title Act

Charge, Notation or Filing

KAMLOOPS LAND TITLE OFFICE

JUL 22 2022 12:11:17.001

CB101509

1. Application Deduct LTO Fees: Yes Document Fees: \$76.32

Meldon Ellis
 #400-1681 Chestnut Street
 Vancouver BC V6J 4M6
 6046887374

2. Description of Land

PID/Plan Number	Legal Description
012-818-526	THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741

3. Nature of Charge, Notation, or Filing

Type	Affected Number	Additional Information
JUDGMENT		

4. Person Entitled to be Registered as Charge Owner

ALLAN CHABON C/O SUITE 400-1681 CHESTNUT STREET VANCOUVER BC V6J4M6	BUSINESSMAN
---	-------------

Electronic Signature

Your electronic signature is a representation that
 (a) you are a subscriber under section 168.6 of the *Land Title Act* RSBC 1996 c.250, and that you are authorized to electronically sign this application by an e-filing direction made under section 168.22(2) of the act, and
 (b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act* RSBC 1996 c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession.

Meldon Lawrence
Ellis 8V4RBN Digitally signed by
 Meldon Lawrence Ellis
 8V4RBN
 Date: 2022-07-21
 17:00:13 -07:00



No. S 222486
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALLAN CHABON

PLAINTIFF

AND:

CANNGROUP DEVELOPMENT CORP.

DEFENDANT

BEFORE A REGISTRAR

DEFAULT JUDGMENT

[X] The plaintiff having filed and served a notice of civil claim and the Defendant **CANNGROUP DEVELOPMENT CORP.** having failed to file and serve a response to civil claim within the time allowed;

THIS COURT ORDERS that:

[x] the defendant **CANNGROUP DEVELOPMENT CORP.** pay to the plaintiff **ALLAN CHABON** the sum of **\$80,853.25**;

THIS COURT FURTHER ORDERS that the defendant, **CANNGROUP DEVELOPMENT CORP** pay to the plaintiff **ALLAN CHABON**

[X] interest under the *Court Order Interest Act* in the amount of **\$61.63**.
[x] costs to be assessed

Date: **JUN 24 2022**

.....
Registrar

B. MANSON
DEPUTY DISTRICT REGISTRAR

British Columbia Court Interest Calculator

Matter:			
Amount of Judgment	\$80,811.31	Date of the order	May 11, 2022
Date an order/quote of action arose	March 12, 2022	Date of actual payment	May 11, 2022

PRE-JUDGMENT INTEREST March 12, 2022 - May 11, 2022

Day Count	Year Range	Cal. Rate	Applicable %	Interest	D. & W. in Blam / Overhead
March 12, 2022	May 11, 2022	5%	0.05%	\$40.41	\$80,811.31 x 0.05% x 62 / 365
Total Pre-Judgment Interest				\$40.41	
Total Amount				\$80,851.72	

TOTAL

Adjusted Amount (\$80,811.31)
+ Pre-Judgment Interest (\$40.41)
\$80,851.72

Exact Interest Calculator Form (2020-2019) by Mincoy Law Corp. September 16, 2019
 Available online at <http://www.mincoylaw.com/interest-calculator>



MINCOY LAW CORPORATION
 OUTSIDE THE BOX LEGAL SOLUTIONS
 1180 West 10th Ave

Disclaimer: The calculator above does not constitute and is not intended to be legal advice. While every effort has been made to ensure accuracy and reliability of this online calculator, the user assumes full responsibility for the accuracy, completeness or timeliness of any results or advice provided. The user agrees to hold the calculator provider harmless from any and all claims, including, but not limited to, damages, attorneys' fees and costs, arising out of or from the use of this calculator.

This is Exhibit * **L** * referred to in the affidavit of **Marlin Tobias** sworn before me at **Salmon Arm** this **13** day of **November 20, 24**.


A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 – 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883



Land Title Act

Charge, Notation or Filing

KAMLOOPS LAND TITLE OFFICE
MAR 28 2024 12:47:51.001
CB1234891

1. Application Deduct LTO Fees: No Document Fees: \$0.00

Canada Revenue Agency
Revenue Collections
C/O 9755 King George Boulevard
Surrey BC V3T 5E1

C. Carley
Phone: 1-800-675-6184
Fax: 250-492-6345

2. Description of Land

PID/Plan Number	Legal Description
012-818-526	THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741

3. Nature of Charge, Notation, or Filing

Type	Affected Number	Additional Information
JUDGMENT		Canngroup Development Corp 56 Hadow Road Enderby, British Columbia V0E 1V3 ITA-5352-23

4. Person Entitled to be Registered as Charge Owner

HIS MAJESTY THE KING IN RIGHT OF CANADA
ACT OF CANADA, ATTORNEY GENERAL OF CANADA
DEPARTMENT OF JUSTICE 900-840 HOWE STREET
VANCOUVER BC V6Z 2S9

IN THE MATTER OF INCOME TAX

Electronic Signature

Your electronic signature is a representation that
(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250,
and that you are authorized to electronically sign this application by an e-filing
direction made under section 168.22(2) of the act, and

(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*,
RSBC 1996 c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting
document, if a true copy is allowed under an e-filing direction, is in your possession.

Lisa Minardi
9RHBT6

Digitally signed by
Lisa Minardi 9RHBT6
Date: 2024-03-27
16:30:06 -07:00

FEDERAL COURT	
COUR FÉDÉRALE	
September 18, 2023 18 septembre 2023	
A. Villeneuve-Alie	
OTT	2

FEDERAL COURT

In the matter of the *Income Tax Act*,

- and -

In the matter of an assessment or assessments by the Minister of National Revenue under one or more of the *Income Tax Act*, *Canada Pension Plan*, *Employment Insurance Act*, against:

CANNGROUP DEVELOPMENT CORP.
56 Hadow Road,
Enderby, British Columbia,
V0E 1V3



CERTIFICATE

I certify that on the **8th** day of **September** in the year of Our Lord Two Thousand and Twenty-Three, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court,

for **Two Hundred Ninety-Three Thousand Eight Hundred Nine Dollars and Sixty-Seven Cents (\$293,809.67)**

plus interest pursuant to the said Acts, compounded daily, at the rate prescribed under the *Income Tax Act* applicable from time to time, on the sum of **\$293,809.67**, from the **2nd** day of **August, 2023**, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this **8th** day of **September** in the year of Our Lord Two Thousand and Twenty-Three.

Federal Court

ANGELA VILLENEUVE-ALIE
REGISTRY ASSISTANT
ADJOINTE DU GREFFE

LAND TITLE ACT

Form 17
(Sections 151, 152(1), 220)

APPLICATION

Note: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown provincial, a municipality, and improvement, water and irrigation districts.

Nature of Interest:		
(1) Fee-simple	<input type="checkbox"/>	
(2) Charge	<input type="checkbox"/>	_____ (Nature of Charge)
(3) Cancellation of Charge	<input type="checkbox"/>	

Herewith fees of

As to (1) and (2) address of person entitled to be registered as owner, if different than shown in instrument: His Majesty the King in Right of Canada. For purposes of litigation, His Majesty is represented by; Attorney General of Canada, Department of Justice, 900 - 840 Howe Street, Vancouver, British Columbia, V6Z 2S9.

Legal description, if not shown in instrument being submitted with this application

Full Name, address and telephone number of person presenting application.
Canada Revenue Agency
Revenue Collections Section

(Signature of applicant, or solicitor or authorized agent)



Land Title Act

Charge, Notation or Filing

KAMLOOPS LAND TITLE OFFICE

MAR 28 2024 14:43:08.001

CB1235335

1. Application Deduct LTO Fees: Yes Document Fees: \$78.17

**Canada Revenue Agency
Revenue Collections
C/O 9755 King George Boulevard
Surrey BC V3T 5E1**

C. Carley
Phone: 1-800-675-6184
Fax: 250-492-6345

2. Description of Land

PID/Plan Number	Legal Description
012-818-526	THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741

3. Nature of Charge, Notation, or Filing

Type	Affected Number	Additional Information
JUDGMENT		Canngroup Development Corp 56 Hadow Road Enderby, British Columbia VOE 1V3 ETA-3204-23

4. Person Entitled to be Registered as Charge Owner

**HIS MAJESTY THE KING IN RIGHT OF CANADA
ACT OF CANADA, ATTORNEY GENERAL OF CANADA
DEPARTMENT OF JUSTICE 900-840 HOWE STREET
VANCOUVER BC V6Z 2S9**

IN THE MATTER OF EXCISE TAX

Electronic Signature

Your electronic signature is a representation that
(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250,
and that you are authorized to electronically sign this application by an e-filing
direction made under section 168.22(2) of the act, and

(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*,
RSBC 1996 c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting
document, if a true copy is allowed under an e-filing direction, is in your possession.

**Lisa Minardi
9RHBT6**

Digitally signed by
Lisa Minardi 9RHBT6
Date: 2024-03-27
16:39:58 -07:00



FEDERAL COURT

In the matter of the *Excise Tax Act*, R.S.C.,
1985, c. E-15,

- and -

In the matter of an assessment or
assessments by the Minister of National
Revenue under the *Excise Tax Act*,
against:

**CANNGROUP
DEVELOPMENT CORP.
56 Hadow Road,
Enderby, British Columbia.
V0E 1V3**



CERTIFICATE

I certify that on the 11th day of September in the year of Our Lord Two Thousand and Twenty-Three, a Certificate, that is deemed to be a judgment of this Honourable Court, was registered in this Honourable Court,

for **Four Hundred Fifty-Four Thousand Seven Hundred Two Dollars and Forty-One Cents (\$454,702.41)**

plus penalty and interest at the rate prescribed under the *Excise Tax Act* applicable from time to time, compounded daily, are payable on the amount of **\$454,702.41**, from the 2nd day of August, 2023, to the day of payment, and that no satisfaction of the Certificate or any part thereof appears of record in this Court.

Dated this 11th day of September in the year of Our Lord Two Thousand and Twenty-Three.

Federal Court

Angela Villeneuve-Alie
ANGELA VILLENEUVE-ALIE
REGISTRY ASSISTANT
ADJOINTE DU GREFFE

LAND TITLE ACT

Form 17
(Sections 151, 152(1), 220)

APPLICATION

Note: Before submitting this application for interests under (1) and (2), applicants should check and satisfy themselves as to the tax position, including taxes of the Crown provincial, a municipality, and improvement, water and irrigation districts.

Nature of Interest:		
(1) Fee-simple	<input type="checkbox"/>	
(2) Charge	<input type="checkbox"/>	_____ (Nature of Charge)
(3) Cancellation of Charge	<input type="checkbox"/>	

Herewith fees of

As to (1) and (2) address of person entitled to be registered as owner, if different than shown in instrument: His Majesty the King in Right of Canada. For purposes of litigation, His Majesty is represented by; Attorney General of Canada, Department of Justice, 900 - 840 Howe Street, Vancouver, British Columbia, V6Z 2S9.

Legal description, if not shown in instrument being submitted with this application

Full Name, address and telephone number of person presenting application.
Canada Revenue Agency
Revenue Collections Section

(Signature of applicant, or solicitor or authorized agent)



Land Title Act

Charge, Notation or Filing

KAMLOOPS LAND TITLE OFFICE

JUL 05 2024 15:26:46.001

CB1427099

1. Application

Deduct LTO Fees: No

Document Fees: \$0.00

Canada Revenue Agency
Fraser Valley and Interior Tax Services Office
C/O 9755 King George Blvd
Surrey BC V3T 5E1

Marilyn Orbiso
Phone: 1-800-675-6183
Fax: 250-492-6345

2. Description of Land

PID/Plan Number	Legal Description
012-818-526	THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741

3. Nature of Charge, Notation, or Filing

Type	Affected Number	Additional Information
JUDGMENT		CANGROUP DEVELOPMENT CORP. 56 Hadow Road, Enderby, British Columbia. V0E 1V3 T-2630-23

4. Person Entitled to be Registered as Charge Owner

HIS MAJESTY THE KING IN RIGHT OF CANADA
ACT OF CANADA, ATTORNEY GENERAL OF CANADA
DEPARTMENT OF JUSTICE 900-840 HOWE STREET
VANCOUVER BC V6Z 2S9

IN THE MATTER OF INCOME TAX

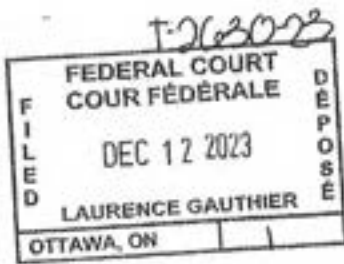
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and that you are authorized to electronically sign this application by an e-filing
direction made under section 168.22(2) of the act, and

(b) if this application requires a supporting document, that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*,
RSBC 1996 c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting
document, if a true copy is allowed under an e-filing direction, is in your possession.

Lisa Minardi
9RHBT6

Digitally signed by
Lisa Minardi 9RHBT6
Date: 2024-07-05
15:07:02 -07:00



TO THE FEDERAL COURT

In the matter of the *Excise Act, 2001*, S.C. 2002, c. 22,

- and -

In the matter of a notice or notices of penalty, or of an assessment or assessments by the Minister of National Revenue under the *Excise Act, 2001*, against:

**CANNGROUP
DEVELOPMENT CORP.
56 Hadow Road,
Enderby, British Columbia.
V0E 1V3**



CERTIFICATE

The undersigned certifies, under section 288 of the *Excise Act, 2001*, that, in addition to such other amounts as may have been previously certified, the following amount payable by the above named has not been paid, namely, **\$1,503,245.56**.

Interest, compounded daily, is payable, at the rate prescribed under the *Excise Act, 2001*, applicable from time to time, on the sum of **\$1,503,245.56** from the **2nd** day of **August, 2023**, to the day of payment.

This Certificate is executed under the *Excise Act, 2001*.

Certified at Ottawa, Ontario this 12 day of **December**, A.D. **2023**.

#7

 Director, Collections
 Collections and Verification Branch
 Canada Revenue Agency

I HEREBY CERTIFY that the above document is a true copy of the original filed in the Court.

JE CERTIFIE que le document ci-dessus est une copie conforme à l'original déposé au dossier de la Cour fédérale.

Filing date 12-Dec-2023
Date de dépôt

Done 12-Dec-2023
Fait le

LAURENCE GAUTHIER
 REGISTRY ASSISTANT
 ADJOINTE DU GREFFIER

A-1

EA288-305 E (23)
(JM)

TO THE FEDERAL COURT

In the matter of the *Excise Act, 2001*, S.C. 2002,
c. 22,

- and -

In the matter of a notice or notices of penalty, or of an
assessment or assessments by the Minister of National
Revenue under the *Excise Act, 2001*, against:

CANNGROUP DEVELOPMENT CORP.

CERTIFICATE

Filed by
Commissioner of Canada Revenue Agency
Assistant Director, Revenue Collections
Canada Revenue Agency
Southern Interior Tax Services Office
Penticton Office
277 Winnipeg Street
Penticton, British Columbia
V2A 1N6

Telephone: (250) 492-9203

This is Exhibit " **M**" referred to in the af-
fidavit of **Marlin Tobias**
sworn before me at **Salmon Arm**
this **13** day of **November**, 20**24**.



A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883



Land Title Act

Charge, Notation or Filing

KAMLOOPS LAND TITLE OFFICE

SEP 12 2023 14:11:34.001

CB886278

1. Application

Document Fees: \$0.00

Reference Number: 79939 9688

HEATHER KURBATOFF
MINISTRY OF FINANCE, RMO, COLLECTIONS
SECTION
PO BOX 9445 STN PROV GOVT
VICTORIA BRITISH COLUMBIA V8W 9V5
CANADA
866 566-3066 1080

2. Description of Land

PID/Plan Number	Legal Description
012-818-526	THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741

3. Nature of Charge, Notation, or Filing

Type	Affected Number	Additional Information
CROWN LIEN		

4. Person Entitled to be Registered as Charge Owner

THE CROWN IN RIGHT OF BRITISH COLUMBIA

5. Certificate



Ministry of Finance

IN THE MATTER OF THE EMPLOYER HEALTH TAX ACT, S.B.C. 2018, CHAPTER 42, SECTION 84, AND IN THE MATTER OF THE INTEREST OF CANNING GROUP DEVELOPMENT CORP., NO. BC1130267 IN SEE ABOVE DESCRIPTION OF LAND.

CERTIFICATE OF LIEN

I certify that

- CANNING GROUP DEVELOPMENT CORP., NO. BC1130267
56 HADON RD ENDERBY BC V0E 1V3
is
(a) required to pay or remit an amount to the government under the *Employer Health Tax Act* but has not paid or remitted that amount, or
(b) an associated corporation or related individual, as defined in section 84 (1) of the *Employer Health Tax Act*, of a person who is required to pay or remit an amount to the government under the *Employer Health Tax Act* and has not paid or remitted that amount.
- The amount remaining unpaid or unremitted as of the date of this certificate is \$38,878.66.

AND TAKE NOTICE that on registration of this certificate in the land title office, the amount of the indebtedness to Her Majesty the Queen in right of the Province of British Columbia is a lien against the land described above.

Dated at Victoria, British Columbia, on 12th day of September 2023.
HEATHER KURBATOFF, on behalf of the Commissioner, *Employer Health Tax Act*

This is Exhibit " **N** " referred to in the af-
fidavit of **Marlin Tobias**
sworn before me at **Salmon Arm**
this **13** day of **November 20, 24**



A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883



FACILITY PRESENTATION

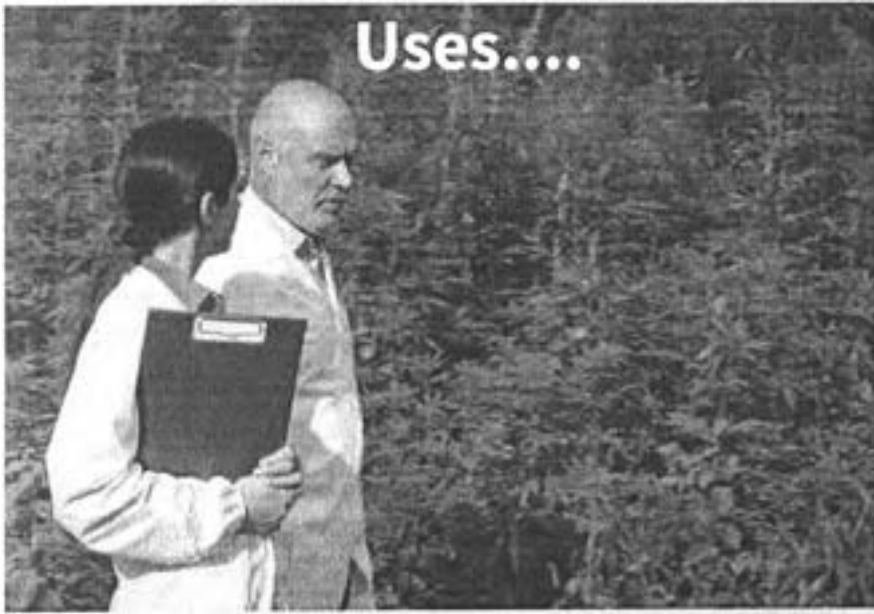
56 Hadow Rd., Enderby, BC, V0E 1V3

Facility Presentation Q1 2024

www.CamGroupCorp.com



24,000 ft² Indoor Facility
3 acre Outdoor Grow with 8 Greenhouses
30 acres ALR/CR zoning
Suitable for indoor/outdoor grow, food production, extraction, distillation, cold storage, packaging.



Uses....

This facility is currently a cannabis facility.

Alternate uses:

- 1) Indoor Micro Greens Production**
- 2) Outdoor Food Production**
- 3) Cold Storage**
- 4) Distillation/ Micro Brewery**
- 5) Packaging**

Index



Cannabis Use	04
C1D1 Labs	08
Other Uses	10
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CannGroup
Licensed Producer

Welcome to >>>

**If you are
looking
for a
cannabis
facility,
look no
further...**



CannGroup Facility - 2024

The CannGroup is currently equipped with grow, production and packaging equipment, with both indoor/outdoor cultivation capacity.

CannGroup has the following Health Canada licenses:
**CULTIVATION, PROCESSING,
MEDICAL SALES, NURSERY,
OUTDOOR GROW and RETAIL
SALES LICENSE and HEMP
CULTIVATION LICENSE**



The Enderby facility is fully licensed and compliant for BC Direct Delivery.

CannGroup has 3 large flowering rooms, in our 24,000 sq.ft. of licensed space, with additional vegging, mothering and cloning rooms. We are currently leasing the grow rooms on a monthly basis to a 3rd party licensed producer.

The licensed outdoor grow area is currently 3+ acres, and could be expanded to approximately 20 acres.

CannGroup also holds a Health Canada Industrial Hemp licensed that is not tied to our location.

We have (3) C1D2 labs comprising approximately 3,200 sq.ft. for hydro-carbon processing. We have extensive experience with cryo-ethanol extraction, distillation and CBD Isolate creation.

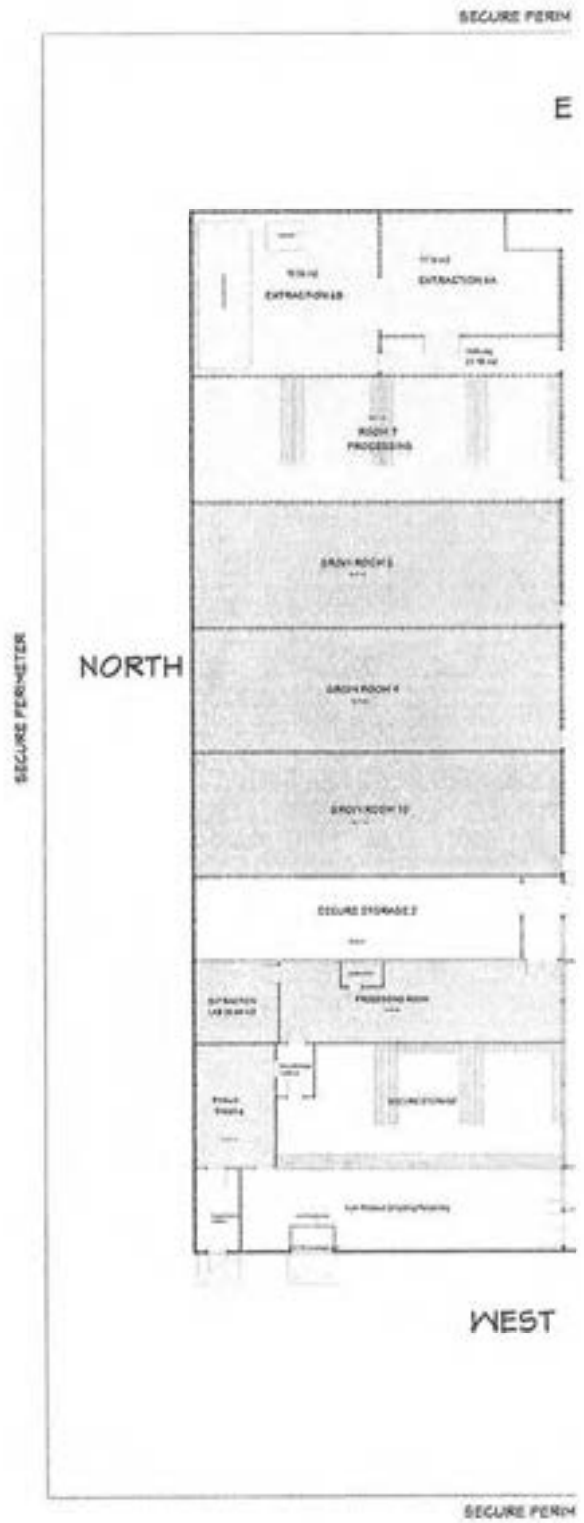
CannGroup is Self-funded, (\$7 Million), family owned with a low debt load (\$1.7m mortgage).

Production capacity potential of 1 million grams of flower indoors, 1.2 million grams produced outdoor in 2021.

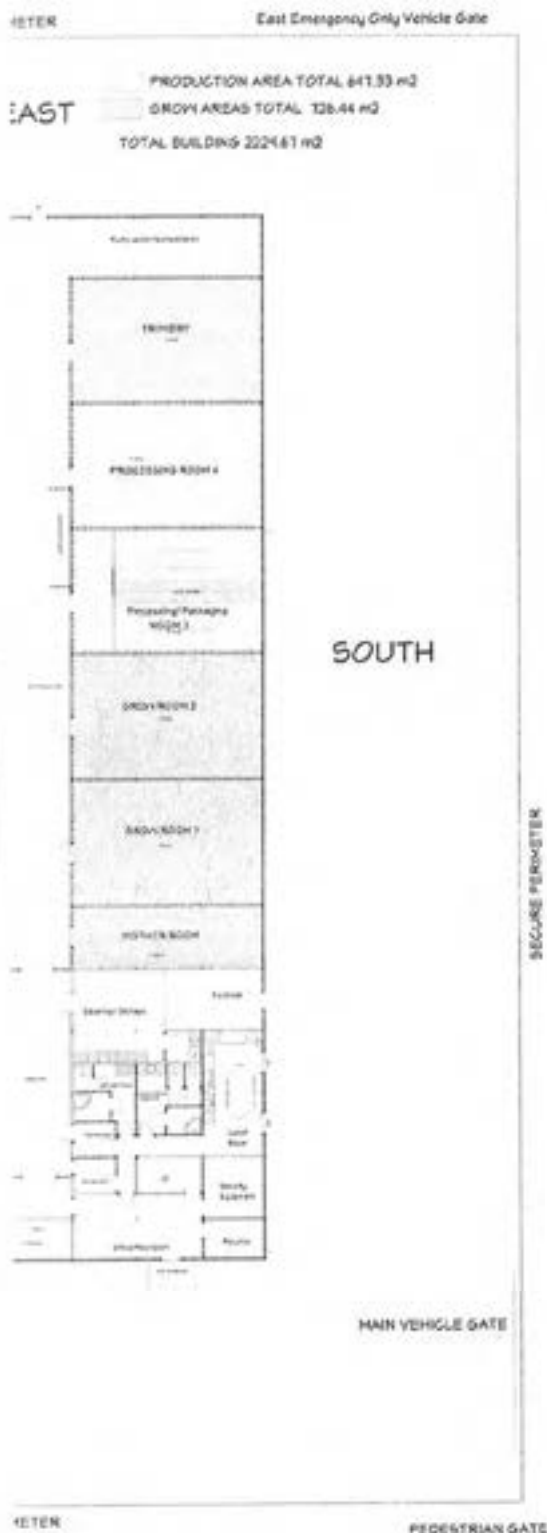
Our current focus is on CBD Isolate production, and have the capacity to produce 300kg+/monthly. With a capital expenditure of approximately \$100K, that capacity can be doubled to accommodate increased demand.

If you are looking for a non cannabis facility

>>>



Plan



4 labs that have both C1D2 and C1D1 ratings. Possible for micro brewery or distillation

HEALTH CANADA APPROVED

CULTIVATION
PROCESSING
OUTDOOR GROW
FOOD
PRODUCTION
PACKAGING
COLD STORAGE
DISTILLATION



”

An Active CannGroup 2 level grow room

Bringing year round
food production to
your community

3 Large Food Production grow rooms

Three 1600 ft² grow rooms with LED full spectrum lighting, 2 levels in each room with rolling racking for 2800 ft² of canopy space per room, watering system, air cons, de-hus.



More and more communities are moving towards year round self sufficient local food production.

Grow Equipment

If you are in micro greens or other kinds of food production, along with the 3 large grow rooms, there is also a 3 level veggin room on moveable racking



Vegging Rooms

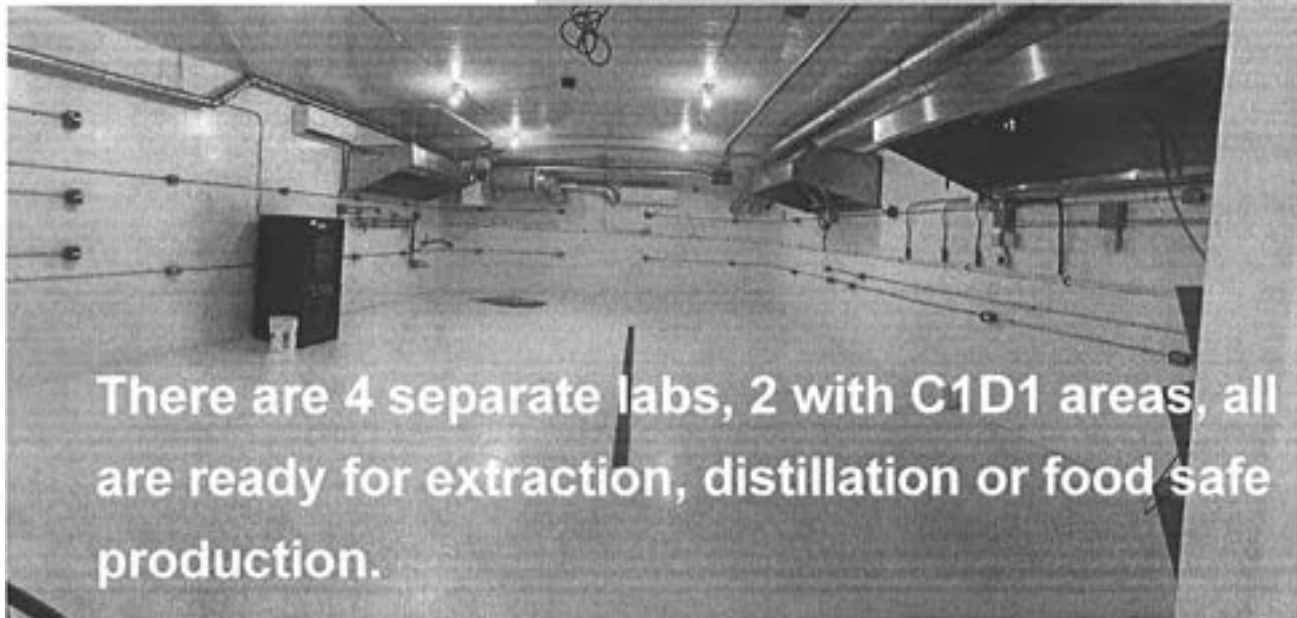
1 - 800 ft² 3 level moveable racking with LED grow lights, watering system, de-hus and air con.



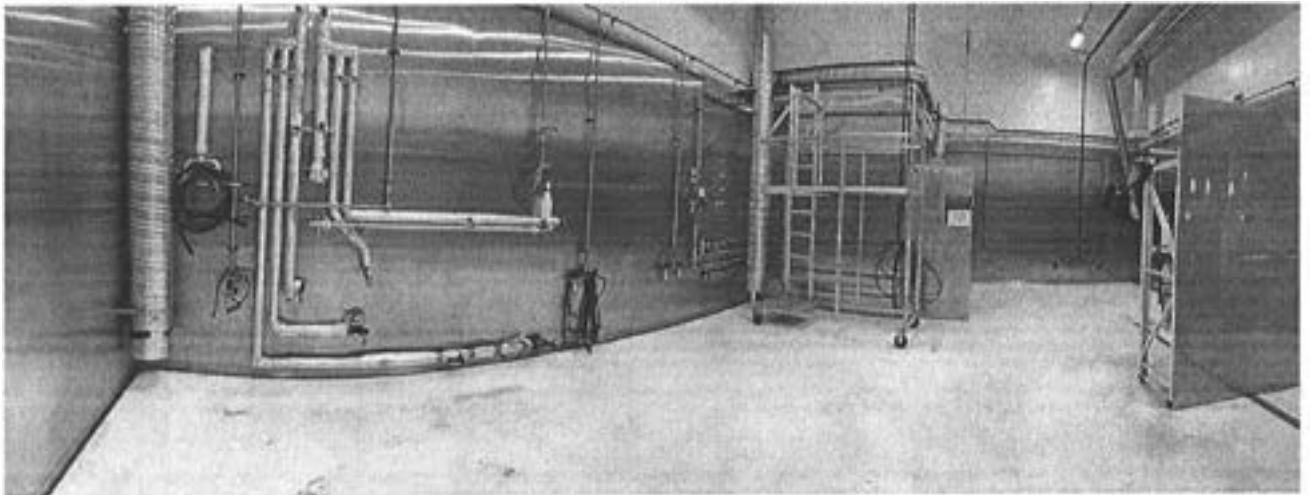
Mothering and Cloning Room with static racks and lighting



Extraction and Distillation Labs



Lab 6a: C1D11 ready. Extraction or Distillation



Equipment available for separate purchase:

2 - ethanol extraction Capna machines.

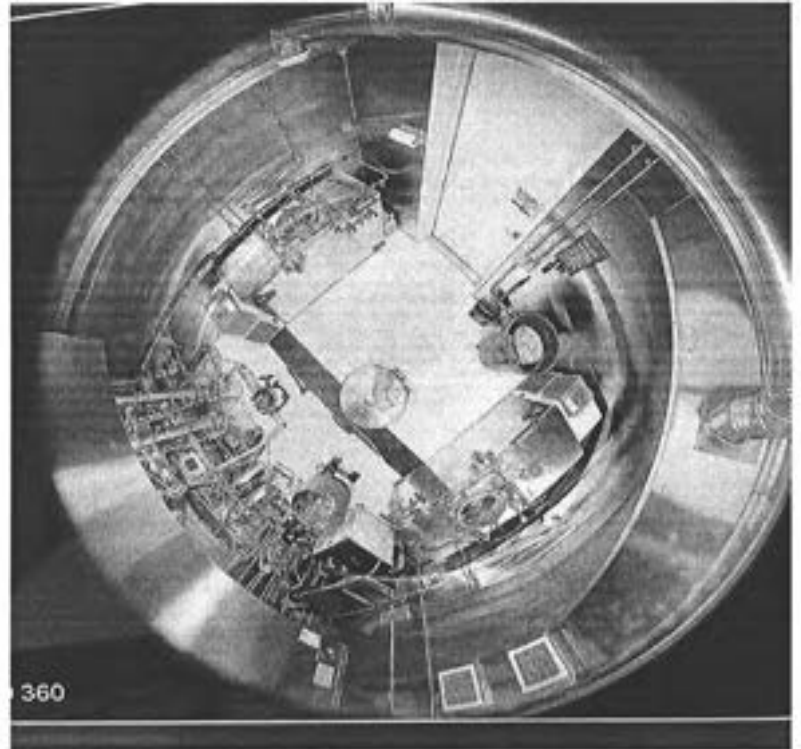
1 - 4" Pope Distillation machine

2 - Rotovaps

Isolation equipment

Ancillary production

equipment



The "small" ethanol extraction lab



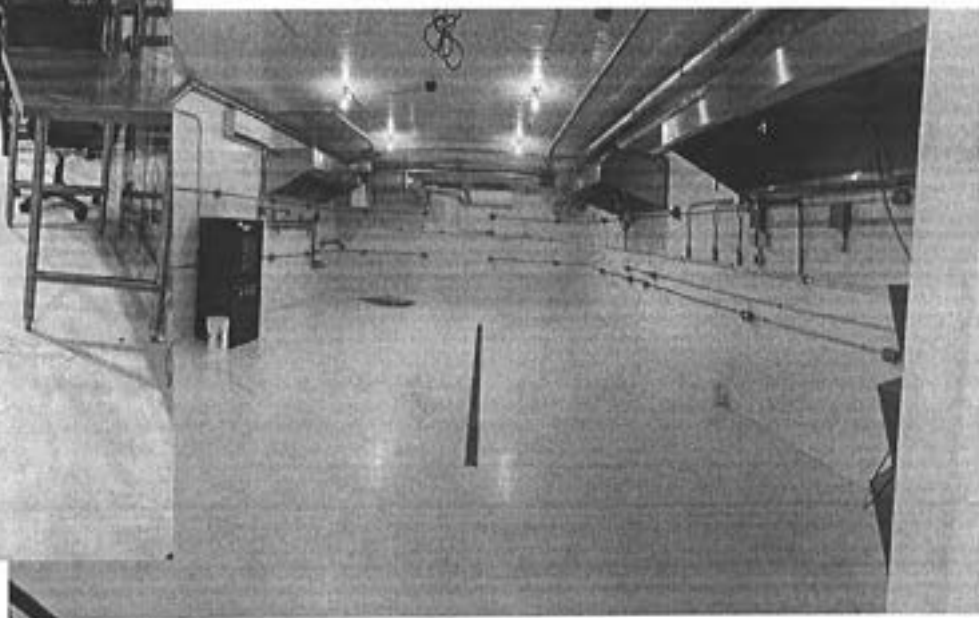
Outdoor Greenhouse and grow area

3 acres of fenced in outdoor grow with 8 hoop style greenhouses, surrounded by 20 acres of fields.



- Food Safe Production Rooms
- Packaging
- Cold Storage

All Rooms are clad with food safe walls, ceilings and epoxy floors



The Right Facility for Your Business

Whether you are looking to start up a brand new business or grow your existing one and need more space, this facility will fit all of your needs.

It has been Health Canada approved and is race ready with multi-purpose rooms, and the equipment you will need for any kind of food production, extraction, distillation or if you are in the cannabis sphere, cannabis production.

Also included in purchase of entire facility

- **Three Phase generator**
- **carts**
- **scales**
- **stainless steel tables**
- **static racking**
- **moveable racking**
- **de-hu's**
- **air cons**
- **scales**
- **carts**
- **moveable stairs**
- **hand tools**
- **man lift**
- **industrial composter**
- **label printers**
- **cleaning equipment**
- **office equipment**
- **2500 ft Office Area upstairs**
- **Lunch Room**
- **140 Camera Security system with tape backup**
- **500 ft2 Heated Office Trailer**
- **2500 ft2 Artic Shelter**
- **1200 ft2 heated garage**
- **Ship/Receive area**
- **2 secure storage rooms**
- **pallet jacks**



Contact Us Today >>>

Marlin Tobias President
250 899 6316
marlin@canngroupcorp.com

Carleen Roth COO
250 899 6048
carleen@canngroupcorp.com

Nicole Chewynd CFO
604-808-5790
nicole@canngroupcorp.com

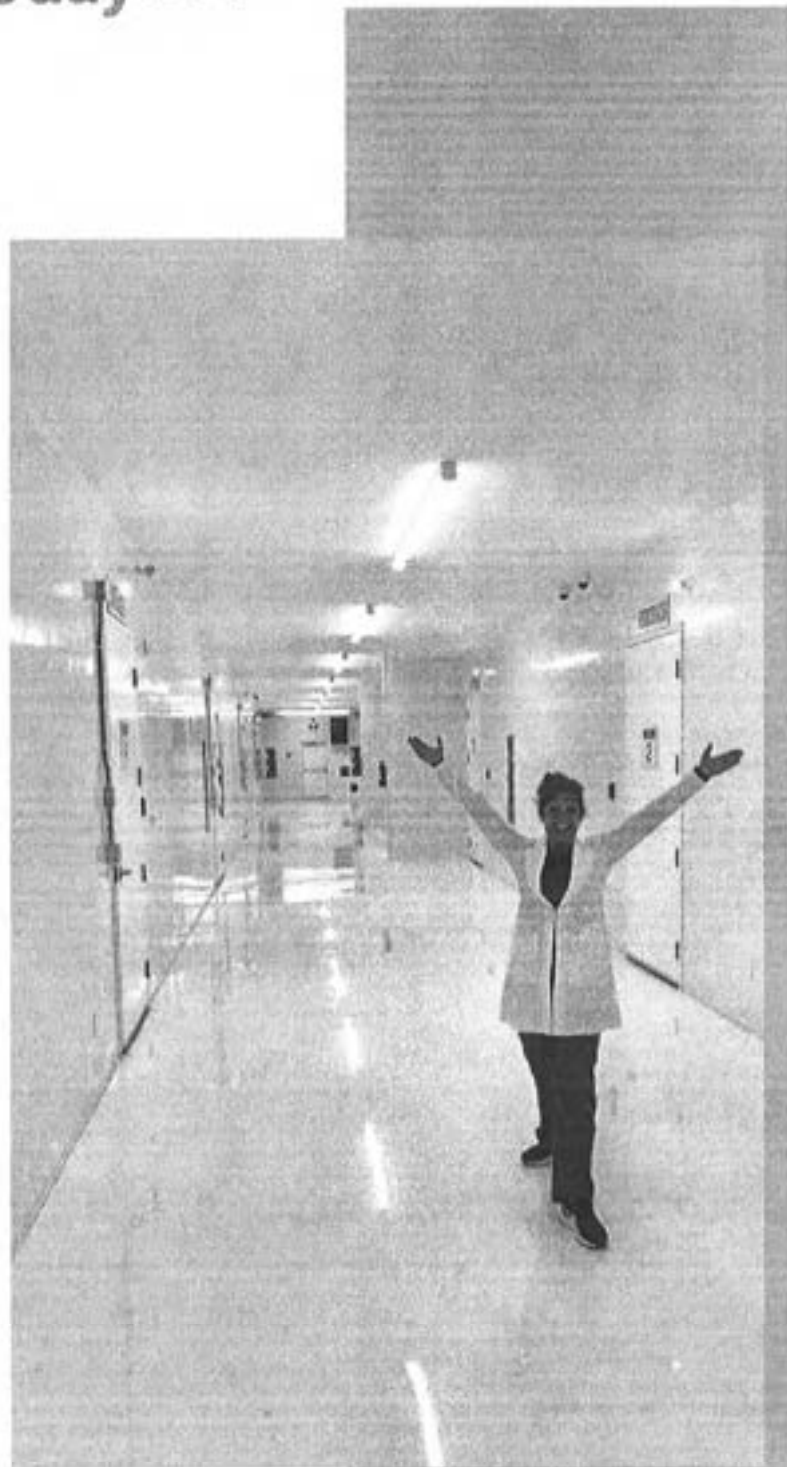


CannGroup **Licensed Producer**

CannGroup Development Corp

56 Hadow Rd,

enderby, BC V0E 1V3 Canada



This is Exhibit " **O** " referred to in the af-
fidavit of **Marlin Tobias**
sworn before me at **Salmon Arm**
this **13** day of **November** 20**24**.



A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883



PRIVACY NOTICE AND CONSENT

To help you sell, buy or lease real estate, REALTORS®, brokerages and real estate boards need to collect, use and disclose some of your personal information. This form provides you with information about, and obtains your consent to, such information handling practices.

DEFINITIONS

Personal Information means any identifiable information about you, including your name, address, phone number, financial information and may include information about your property (such as listing and selling price, lease rate, listing term, etc.).

A **REALTOR®** is a member of a real estate board, the British Columbia Real Estate Association (BCREA) and of the Canadian Real Estate Association (CREA). REALTORS® in BC are licensed under the *Real Estate Services Act*. **Brokerage** refers to the real estate company where your REALTOR® is licensed (including their employees and staff). The **boards** are British Columbia real estate boards that are members of BCREA. REALTORS® provide MLS® services, which are professional services to effect the purchase and sale of real estate as part of a cooperative selling system, otherwise known as an MLS® System. An **MLS® System** is a member-to-member cooperative selling system for the purchase, sale or lease of real estate that is owned or controlled by a board, includes an inventory of listings and sales of participating REALTORS®, and ensures a certain level of accuracy of information, professionalism, and cooperation amongst REALTOR® members.

How is my personal information collected?

Most personal information will be collected directly from you through the contracts and other documents you fill out (e.g., Multiple Listing Contract, Contract of Purchase and Sale, Offer to Lease, seller's Property Disclosure Statement) and through discussions you have with the REALTOR® to whom you are giving this consent. Some information may be collected from other sources such as government departments and agencies (e.g., Land Title Offices, BC Assessment), financial institutions and mortgage brokers.

To whom may my personal information be disclosed?

Your information may be disclosed to (or may be accessible by) the boards and their staff and members, other REALTORS® and their clients, government departments and agencies, financial institutions, legal advisors, service providers, BCREA, the BC Financial Services Authority (BCFSA), the Real Estate Errors and Omissions Insurance Corporation (REEOIC), CREA, Financial Transaction and Reports Analysis Centre (FINTRAC), and members of the public, for the purposes described below.

Not all of your information will be accessible to each of the above-mentioned entities. For example, once the listing term has ended, the general public will not have access to your information, unless it is otherwise available through public registries or publications (e.g., Land Title Offices, BC Assessment, REALTOR.ca).

Your personal information may be transferred to or stored in a foreign country, in which case the governments, courts, law enforcement, or regulatory agencies of that country may be able to obtain access to your personal information through the laws of that foreign country.

Why is my personal information collected, used and disclosed?

Your personal information may be collected, used and disclosed for some or all of the primary uses set out below.

- 1a) To list/market your property on the MLS® System in accordance with the terms and conditions of the MLS® System and the boards.
- 1b) To allow members of boards (including REALTORS®), BC Assessment, appraisers, and others to value your property or access property details, both current and historical.
- 1c) To market your property through any other media (both print and electronic).
- 1d) To help you locate a suitable property to buy or lease.
- 1e) To facilitate the purchase and sale or lease transaction both before and after the completion of your transaction or entering into of your lease (including by cooperating with financial institutions, legal advisors, government departments and agencies and third parties engaged in connection with the purchase and sale or lease

MT	CR	
INITIALS		

transaction, such as photographers, appraisers, home inspectors, lawyers/notaries and other service providers, and by communicating with you to coordinate any of the foregoing or to ensure your satisfaction with any of the foregoing and the real estate services provided to you in connection with the transaction).

- 1f) To allow the boards (including REALTORS®), appraisers and government or quasi government authorities to compile statistics on and publicly publish particulars of current and historical listing and sale information of properties, including such things as listing and sale prices and lease rates. Information about your property will be retained in the MLS® System and handled in accordance with its and the boards' terms and conditions and applicable laws, and published or otherwise made available by the boards from time to time for these purposes after your property has sold or leased or your listing has expired (if you are a seller/landlord) and after you have purchased or leased your property (if you are a buyer/tenant).
- 1g) To advocate and/or enforce codes of professional conduct and ethics for REALTORS® (by cooperating with the boards, REEOIC, CREA, and regulatory bodies including, without limitation, BCFSa and FINTRAC).
- 1h) To satisfy legal and contractual obligations, which include storing and maintaining records as required by applicable laws, and fulfilling reporting obligations and commitments made to any government authorities having competent jurisdiction and other persons who are entitled to such information, including without limitation, governmental and quasi governmental authorities.
- 1i) To otherwise comply with the legal requirements and to act pursuant to legal authorizations.
- 1j) For any other reasonable purpose for which you provide consent, or for which consent may be implied in accordance with this Privacy Notice and Consent, or for which consent may be implied in accordance with applicable law.

The above-mentioned primary uses are a necessary part of your relationship with the REALTOR® to whom you are giving this consent.

Will my personal information be collected, used and disclosed for any other purposes?

Your personal information may also be collected, used and disclosed for the secondary uses set out below. These secondary uses are optional. If you do not want your personal information used or disclosed for any of these secondary uses, you may opt out of granting consent to any of them by initialing the "Opt Out" box(es) to the right of the secondary use(s) to which you do not want to consent.

OPT OUT

- 2a) The REALTOR® to whom you are giving this consent (or their brokerage) may communicate with you in the future to determine whether you require additional real estate services.
- 2b) The REALTOR® to whom you are giving this consent (or their brokerage) may communicate with you to provide information about other products or services that may interest you.
- 2c) Other REALTORS® may communicate with you to determine if you require additional real estate services.
- 2d) The boards, and other REALTORS® or their brokerage (and survey firms on their behalf) may communicate with you to participate in surveys.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INITIALS

You may withdraw your consent to any or all of the secondary uses in the future by contacting the REALTOR® to whom you are giving this consent or that REALTOR®'s board's privacy officer.

Contact information for all boards can be obtained from BCREA (website www.bcrea.bc.ca or telephone 604.683.7702).

ACKNOWLEDGEMENT

I / We consent to the collection, use and disclosure of personal information as described in this Privacy Notice and Consent form.

Canngroup Development Corp.

PRINT NAME

Carleen Roth Marlin Tobias

SIGNATURE

07/09/24

DATE

Nick Renton

REALTOR®

*PREC represents Personal Real Estate Corporation

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

BC1002 REV. JAN 2024

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COPYRIGHT BC REAL ESTATE ASSOCIATION



Your Relationship with a Real Estate Professional

Real estate professionals have a regulatory requirement to present you with this consumer information before providing services to you.

This information explains the different relationships you can have with a real estate professional to buy, sell or lease property. Before you disclose confidential information to a real estate professional regarding a real estate transaction, you should understand what type of business relationship you have with that individual.

You can work with a real estate professional in one of the following ways:

AS A CLIENT

If you are the client of a real estate professional, they work on your behalf. The real estate professional representing you has special legal duties to you, including:

- **Loyalty.** They will act only in your best interests.
- **Full disclosure.** They must tell you everything they know that might influence your decision in a transaction.
- **Avoid conflicts of interest.** They must avoid any situation that would affect their duty to act in your best interests.
- **Confidentiality.** They must not reveal your private information without your permission, even after your relationship ends. That includes:
 - your reasons for buying, selling or leasing
 - your minimum/maximum price
 - any preferred terms and conditions you may want to include in a contract

When you become a client, you may be asked to sign a written agreement setting out your and the real estate professional's responsibilities.

AS A NON-CLIENT

A real estate professional who is not representing you as a client does not owe you special legal duties:

- **No loyalty.** They may be representing a client with competing interests to yours in a transaction. They must be loyal to their client, not you.
- **No duty of full disclosure.** They do not have a duty to give you all relevant information.
- **No duty to avoid conflicts.** They are not acting in your interests.
- **No confidentiality.** They must share any information you tell them with their clients in a transaction.

As a non-client, a real estate professional may give you only limited services.

Whenever a real estate professional works with you in a real estate transaction, whether you are their client or not, they have a responsibility to act honestly and with reasonable care and skill.

Did you know buyers have a right to cancel a contract to purchase some types of residential real property in B.C.? To learn more about the Home Buyer Rescission Period, visit www.bcfsa.ca or talk to your real estate licensee, a lawyer, or a notary.

Your Relationship with a Real Estate Professional

DISCLOSURE OF REPRESENTATION IN TRADING SERVICES

This is a required disclosure form in compliance with sections 54 of the Real Estate Services Rules. **Your real estate professional must present the Your Relationship with a Real Estate Professional information page to you along with this disclosure form.**

REAL ESTATE PROFESSIONAL DISCLOSURE DETAILS

I disclose that I am (check one):

- representing you as my client
- not representing you as a client

Nick Renton

Name

Team name and members, if applicable. The duties of a real estate professional as outlined in this form apply to all team members.

William Wright Commercial

Brokerage

Nick Renton

07/05/24

Signature

Date

Notes:

Listing Agreement for 56 Hadow Rd

This is NOT a contract

CONSUMER ACKNOWLEDGMENT:

I acknowledge that I have received the **Your Relationship with a Real Estate Professional** consumer information page and this disclosure form.

Canngroup Development Corp.

Name (optional)

Name (optional)

MT CR

Initials (optional)

07/09/24

Date

Initials (optional)

Date

A copy of this disclosure is not required to be provided to BC Financial Services Authority unless it is specifically requested.

134

WILLIAM | WRIGHT

Commercial Real Estate Services

Date: July 5, 2024

AGREEMENT TO PAY COMMISSION

BETWEEN: CANNGROUP DEVELOPMENT CORP & WILLIAM WRIGHT COMMERCIAL

Attention: CANNGROUP DEVELOPMENT CORP.

RE: DISPOSITION OF 56 HADOW RD. ENDERBY, BC

This Commission Fee Agreement shall confirm that you are paying William Wright Commercial for the introduction to a "Buyer" of the property legally described below as;

- **Parcel Identifier: 026-574-071**
- **Legal Description: PLAN KAP80270 LOT A SECTION 30 TOWNSHIP 26**

Further, this letter confirms that Canngroup Development Corp. (the "Seller") or an assignee, nominee or affiliated corporate entity shall pay a commission (the "Commission") to William Wright Commercial equal to \$39,000.00 + GST (Thirty Nine Thousand Dollars plus applicable taxes), in the event that a purchase is made directly by the parties listed herein or any affiliated company after the property has been brought to market by William Wright Commercial:

1. All Nations Cannabis and Miika Adams
2. Joint Venture Craft Cannabis
3. Kyle Morley and affiliated companies
4. Empire of the Sun Cannabis Co.
5. Way 2 Grow
6. NextLeaf
7. Blue Sky

This agreement shall remain in effect from the time of signing for a period of 365 days, unless mutually terminated by both parties. In the event an agreement to purchase or other agreement where the buyer introduced by William Wright Commercial, gains direct, indirect or effective ownership or control of the asset is reached during the term of this agreement the fee as outline herein will be due and payable.

Please confirm your agreement to the foregoing matters by executing the Confirmation block located at the bottom of this letter and returning a fully executed copy of this letter to us (by mail, delivery, fax or other electronic means).

Yours truly,

WILLIAM WRIGHT COMMERCIAL

By: *Nick Renton* 07/05/24

Nick Renton

CONFIRMATION

The undersigned confirms its agreement with the foregoing matters.

CannGroup Development Corp.

Per: *Marlin Tobias* *Carleen Roth* 07/09/24
Authorized Signing Authority



MULTIPLE LISTING CONTRACT

MULTIPLE LISTING SERVICE® MLS® OFFICE USE ONLY	
DATE	LISTING MLS® NO

BETWEEN: Canngroup Development Corp.
OWNER(S) ("SELLER")

OWNER(S) ("SELLER")

OWNER(S) ("SELLER")

301 2706 30 Avenue
UNIT ADDRESS

Vernon BC V1T2B6
CITY PROV PC

TELEPHONE NUMBER CELL NUMBER

AND: William Wright Commercial
("LISTING BROKERAGE")

205 478 Bernard Ave
UNIT ADDRESS

Kelowna BC V1Y 6N7
CITY PROV PC

236-420-3558
TELEPHONE NUMBER CELL NUMBER

1. LISTING AUTHORITY AND TERM:

A. The Seller hereby lists exclusively with the Listing Brokerage the property described in Clause 2 ("Property") from July MONTH 3rd DAY 2024 YEAR (Effective Date) until 11:59 pm on January MONTH 3rd DAY 2025 YEAR (Expiry Date) unless renewed in writing.

- B. The Seller hereby:
- (i) authorizes the Listing Brokerage to obtain information concerning the Property from any person, corporation or governmental authority, including any mortgagee and British Columbia Assessment, and to share this information with other parties, including members of any real estate board;
 - (ii) authorizes the Listing Brokerage to advertise the Property and to show it to prospective buyers during reasonable hours;
 - (iii) restricts the advertising of the Property to the Listing Brokerage only except where the advertising of the Property by other members of the real estate board of which the Listing Brokerage is a member (hereinafter referred to as the "Board") or any other real estate board has been permitted by the Listing Brokerage;
 - (iv) agrees to allow the Listing Brokerage to place "For Sale" and "Sold" signs upon the Property; and
 - (v) agrees to allow Cooperating Brokerages (as hereinafter defined) and, with the written consent of the Seller, a sub-agent of the Listing Brokerage ("Sub-Agent") to show the Property to prospective buyers.

2. PROPERTY:

<u>56</u> UNIT NO.	<u>Hadow</u> HOUSE NO.	<u>RD</u> STREET NAME	<u>RD</u> STREET TYPE	<u></u> STREET DIRECTION
<u>Enderby, BC</u> CITY/TOWN/MUNICIPALITY			<u>V0E1V3</u> POSTAL CODE	
<u>012-818-526</u> PID		<u></u> OTHER PID(S)		

CR	MT	
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INITIALS

PROPERTY ADDRESS

THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH
MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121
AND KAP53741

LEGAL DESCRIPTION

3. TERMS OF SALE: \$ 3,900,000

LISTING PRICE

TERMS

4. LISTING SERVICE AND COOPERATING BROKERAGES: The Seller authorizes the Listing Brokerage:

- A. To list the Property with the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage selects and has access to and to cooperate with brokerages (which may include the Listing Brokerage) and their designated agents (other than the Designated Agent) acting for a prospective buyer ("Cooperating Brokerages");
- B. To publish in the Multiple Listing Service® of the Board, the Multiple Listing Service® of any other real estate board, Internet, or anywhere else that the Listing Brokerage selects and has access to, and to share with other parties, including British Columbia Assessment, the information contained in this Contract, the information contained in the Data Input Form and the Seller's Property Disclosure Statement, if applicable, and the sale price of the Property once an unconditional accepted offer exists; and
- C. To make agency disclosures required of the Listing Brokerage.

5. LISTING BROKERAGE'S REMUNERATION:

- A. The Seller agrees to pay the Listing Brokerage a gross commission equal to the amount set out in Clause 5D, in accordance with this Clause 5, if:
 - (i) a legally enforceable contract of sale between the Seller and a Buyer is entered into during the term of this Contract; or
 - (ii) a legally enforceable contract of sale between the Seller and a Buyer who is introduced to the Property or to the Seller, by the Listing Brokerage, the Designated Agent (as hereinafter defined), a Sub-Agent, a Cooperating Brokerage or any other person including the Seller during the term of this Contract is entered into:
 - (a) within sixty (60) days after the expiration of the term of this Contract; or
 - (b) any time after the period described in (a) where the efforts of the Listing Brokerage, the Designated Agent (as hereinafter defined), the Sub-Agent or the Cooperating Brokerage were an effective cause; provided, however, that no such commission is payable if the Property is listed with another licensed brokerage after the expiration of the term of this Contract and sold during the term of that listing contract; except, in the case of (i) or (ii), if the Property is "residential real property" (as defined in the *Home Buyer Rescission Period Regulation*) that is not exempt and the buyer has exercised their right of rescission set out in Section 42 of the *Property Law Act* within the prescribed period and in the prescribed manner for doing so in which case no remuneration will be payable by the Seller; or
 - (iii) an offer to purchase is obtained from a prospective buyer during the term of this Contract who is ready, willing and able to pay the Listing Price and agrees to the other terms of this Contract, even if the Seller refuses to sign the offer to purchase.
- B. The Seller will pay the remuneration due to the Listing Brokerage under this Clause 5 on the earlier of the date the sale is completed, or the completion date, or where no contract of sale has been entered into seven (7) days after written demand by the Listing Brokerage.

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INITIALS

PROPERTY ADDRESS

- C. The Seller agrees that, to assist in obtaining a buyer for the Property, the Listing Brokerage will offer to Cooperating Brokerages and Sub-Agents a portion of the Listing Brokerage's commission.
- D. (i) Upon the occurrence of an event described in Clauses 5A(i), 5A(ii) or 5A(iii), the Seller will pay remuneration to the Listing Brokerage of an amount equal to:

3% of the purchase price

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission (commission + tax = remuneration).

- (ii) If there is a Cooperating Brokerage, the Listing Brokerage will pay to the Cooperating Brokerage, from the remuneration paid to the Listing Brokerage by the Seller pursuant to Clause 5D(i), an amount equal to:

1% of the purchase price. See Schedule A for conditions to the co-operating commission.

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission; and the Listing Brokerage will retain, from the remuneration paid to the Listing Brokerage by the Seller pursuant to Clause 5D(i), an amount equal to:

2% of the purchase price

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission.

- (iii) If there is no Cooperating Brokerage, the Listing Brokerage will retain the entire amount of the remuneration paid by the Seller pursuant to Clause 5D(i), being an amount equal to:

3% of the purchase price

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission.

- E. The Listing Brokerage and the Designated Agent will advise the Seller of any remuneration, other than described in this Clause 5, to be received by the Listing Brokerage in respect of the Property.

6. ASSIGNMENT OF REMUNERATION: The Seller hereby irrevocably:

- A. Assigns to the Listing Brokerage from the proceeds of sale of the Property, the amount of remuneration due to the Listing Brokerage and authorizes the Listing Brokerage to retain from the deposit monies the amount of the Listing Brokerage's remuneration;
- B. Acknowledges that the Listing Brokerage may assign to a Cooperating Brokerage, a Sub-Agent or both of them all or part of the remuneration due to the Listing Brokerage; and
- C. Directs, or agrees to sign such documents as may be required by the Listing Brokerage irrevocably directing a Lawyer or Notary Public acting for the Seller or a buyer, to pay the remuneration due to the Listing Brokerage, or the net amount remaining after the deposit monies held in trust have been credited against the remuneration due to the Listing Brokerage, to the Listing Brokerage a Sub-Agent, and a Cooperating Brokerage, where applicable, by separate cheques to the Listing Brokerage, the Sub-Agent and the Cooperating Brokerage.

CR	MT	
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INITIALS

PROPERTY ADDRESS

7. DESIGNATED AGENCY:

A. Subject to Clause 7C(iii) the Listing Brokerage designates Nick Renton

(the "Designated Agent") to act as the sole agent of the Seller in respect of the Property and will designate one or more licensees of the Listing Brokerage to act as the sole agents of all buyers and other sellers also represented by the Listing Brokerage. If for any reason the license of the Designated Agent (or where the Designated Agent is comprised of more than one licensee, the licenses of all of those licensees) is suspended, cancelled or becomes inoperative under the *Real Estate Services Act* or the Designated Agent (or where the Designated Agent is comprised of more than one licensee, all of those licensees) is temporarily unavailable or ceases to be engaged by the Listing Brokerage, the Listing Brokerage will designate another licensee of the Listing Brokerage to act as the sole agent of the Seller;

B. The Designated Agent will not disclose to other licensees, including licensees of the Listing Brokerage who represent buyers or other sellers, any confidential information of the Seller obtained through the Designated Agent's agency relationship with the Seller unless authorized by the Seller or required by law.

C. The Seller agrees that:

- (i) subject to (iii) an agency relationship will exist only with the Designated Agent;
- (ii) information obtained by the Designated Agent through the Designated Agent's agency relationship with the Seller will not be attributed to the Listing Brokerage or to other licensees of the Listing Brokerage who represent buyers or other sellers;
- (iii) the Listing Brokerage's agency relationship is limited to listing the Property with the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage selects and has access to; and
- (iv) for the purposes of Clauses 1B, and 4, the term Listing Brokerage shall include the Designated Agent.

8. THE DESIGNATED AGENT WILL:

- A. Act as the agent of only the Seller with respect to the Property;
- B. Provide information about the Property to Sub-Agents and Cooperating Brokerages;
- C. Subject to Clause 9A use reasonable commercial efforts to market the Property and to promote the interests of the Seller;
- D. At the earliest reasonable opportunity, advise any buyer interested in the Property that the Designated Agent is the agent of the Seller;
- E. Fulfill the duties set out in
 - (i) Real Estate Services Rule 30, except as modified or made inapplicable by agreement between the Listing Brokerage and the Seller, and
 - (ii) Real Estate Services Rule 33 and 34;
- F. Obey all lawful instructions of the Seller that are consistent with the Real Estate Services Act, the Real Estate Services Rules, the REALTOR® Code and all applicable Rules and Bylaws of the real estate board or association including related Regulation and Policies;

9. THE LISTING BROKERAGE AGREES:

A. That the services set out in Schedule "A" will be provided. Where the Listing Brokerage and the Designated Agent have chosen or agreed not to provide services to the Seller other than submitting the listing for posting with the Multiple Listing Services® of the Board and any other real estate board that the Listing Brokerage selects and has access to, Schedule "A" may include modifications to Clauses 5A, 5B, 6A, 6B, 6C, 8B, 8C, 8D, 8E, 10A, 10C, 10D, 10F and 10G;

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INITIALS		

PROPERTY ADDRESS

- B. To monitor and supervise the activities of the Designated Agent to ensure compliance by the Designated Agent with the provisions of this Contract and with the Listing Brokerage's policies and procedures governing designated agents;
- C. Not to disclose confidential information of the Seller to any person unless authorized by the Seller or required by law;
- D. To treat the interests of the Seller and all buyers and other sellers also represented by the Listing Brokerage in an even handed, objective and impartial manner; and
- E. To hold all monies received by the Listing Brokerage in trust in accordance with the *Real Estate Services Act*.

10. THE SELLER AGREES:

- A. To promptly advise the Designated Agent of, and refer to the Designated Agent, all inquiries for the purchase of the Property, and to deliver to the Designated Agent all offers to purchase which may be received during the term of this exclusive Contract or arising by reason of it;
- B. That the Seller has the authority to sell the Property and to enter into this Contract;
- C. That the Seller will disclose to the Designated Agent all third party claims and interests in the Property known to the Seller;
- D. That the Seller will disclose to the Designated Agent all material latent defects affecting the Property known to the Seller and that the Designated Agent may provide that information to prospective buyers;
- E. That all information provided to the Listing Brokerage and the Designated Agent by the Seller is and will be accurate to the best of the Seller's knowledge;
- F. That the Seller will immediately advise the Designated Agent of any material changes in the physical condition or status of the Property or the information provided by the Seller;
- G. That the Seller will provide the Designated Agent with all information necessary for the listing and marketing of the Property;
- H. That the Designated Agent is being retained solely to provide real estate services and not as a lawyer, tax advisor, lender, certified appraiser, surveyor, structural engineer, home inspector or other professional service provider; and
- I. That the Property is not currently the subject of any other exclusive listing contract.

11. THE SELLER ACKNOWLEDGES AND AGREES THAT:

- A. The information relating to the Property may be disclosed to persons interested in the Property including prospective buyers, agents of prospective buyers, appraisers, financial institutions, governments and governmental departments and agencies;
- B. The duties set out in Real Estate Services Rule 30 apply only to the Designated Agent and do not apply to any other licensees of the Listing Brokerage who represent buyers or other sellers and, subject to Clauses 9B, 9C and 9D, do not apply to the Listing Brokerage.
- C. The Listing Brokerage or the Designated Agent may provide trading services to, have agency relationships with or be engaged by other sellers, or have agency relationships with or be engaged by buyers, unless doing so would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules;
- D. In the case that the provision of trading services to the Seller contemplated hereby and the provision of trading services to a buyer or another seller constitutes or becomes a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Seller acknowledges and agrees that the Listing Brokerage and the Designated Agent, as applicable, must comply with Real Estate Services Rule 65 and may be required to cease providing certain trading services to the Seller;

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INITIALS

PROPERTY ADDRESS

- E. Despite Real Estate Services Rule 30(f), the Listing Brokerage and the Designated Agent will not be required to disclose to the Seller confidential information obtained through any agency relationship; and
- F. A Seller, who is a non-resident of Canada, must comply with the *Income Tax Act* of Canada before the sale of the Seller's property can be completed.

12. CONFLICTS OF INTEREST:

- A. If the Designated Agent's provision of trading services to the Seller in respect of the Property and a buyer with whom the Designated Agent has an agency relationship would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Designated Agent may request consent from the Seller and such buyer to continue to represent either the Seller or such buyer in respect of the Property and terminate their agency relationship with the other party. In such case, the Designated Agent will present such buyer and the Seller with a written agreement in compliance with Section 65 of the Real Estate Services Rules (the "Consent Agreement"). Notwithstanding anything else in this Contract, if the Seller and such buyer consent to the Designated Agent continuing to act for one of them, and terminating the agency relationship with the other, in respect of the Property and they execute the Consent Agreement, the parties hereto agree as follows:
 - (i) if the Designated Agent ceases to act as agent of such buyer, the Seller acknowledges and agrees that the Designated Agent may otherwise in the future act as agent for such buyer in respect of property other than the Property;
 - (ii) if the Designated Agent ceases to act as agent of the Seller in respect of the Property, subject to Part 5 of the Real Estate Services Rules, the Listing Brokerage may designate another licensee of the Listing Brokerage to act as the Designated Agent of the Seller hereunder or if the Listing Brokerage is unable to or does not designate another licensee of the Listing Brokerage, the Listing Brokerage may refer the Seller to another brokerage for representation in respect of the Property; provided that, the Seller will not be obligated to accept such referral; and
 - (iii) if the Designated Agent ceases to act as the agent of the Seller in respect of the Property, the parties acknowledge that:
 - (a) the Designated Agent's agency with the Seller will terminate and the Designated Agent will no longer have any duties to the Seller as agent of the Seller, whether under this Contract, under the Real Estate Services Rules (other than their duties of confidentiality under Rule 30(e)) or otherwise; and
 - (b) the Listing Brokerage and the Designated Agent will be permitted by the terms of the Consent Agreement and the Real Estate Services Rules to continue to represent such buyer.

13. COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION:

- A. The Seller hereby consents to the collection, use and disclosure by the Listing Brokerage and by the managing broker(s), associate broker(s) and representative(s) of the Listing Brokerage (collectively the "Licensee") noted below, the Board and any other real estate board, of personal information about the Seller:
 - (i) for all purposes consistent with the listing, marketing and selling of the Property;
 - (ii) for placement in the database of the Multiple Listing Service® of the Board and of any other real estate board that the Listing Brokerage selects and has access to;
 - (iii) for the purpose of the Board and other real estate boards marketing the Property in any medium including but not limited to posting the personal information on publicly accessible websites and distributing the personal information to any persons including the public, members of the Board, members of other real estate boards governments and governmental departments and agencies, appraisers and others;

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INITIALS

PROPERTY ADDRESS

- (iv) for compilation, retention and publication by the Board and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of the Board and other real estate boards;
 - (v) for enforcing codes of professional conduct and ethics for members of the Board and other real estate boards;
 - (vi) for all other purposes authorized in this Contract including but not limited to those described in Clauses 1B, 4A, 4B, 8B and 11A; and
 - (vi) for the purposes (and to the recipients) described in the British Columbia Real Estate Association's Privacy Notice and Consent form.
- B. The personal information provided by the Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

14. TERMINATION: The Listing Brokerage and the Seller agree that:

- A. Without prejudice to the acquired rights of the Seller or the Listing Brokerage, including without limitation the rights and obligations under Clause 5, this Contract will terminate:
 - (i) upon the expiration of the term of this Contract as specified in Clause 1A;
 - (ii) upon an earlier date than that specified in Clause 1A if mutually agreed to by the Seller and the Listing Brokerage in writing;
 - (iii) upon a completed sale of the Property prior to the expiration of the term of this Contract;
 - (iv) immediately if the Listing Brokerage's licence is suspended, cancelled or rendered inoperative under the *Real Estate Services Act*;
 - (v) upon the bankruptcy or insolvency of the Listing Brokerage or if it is in receivership; and
 - (vi) if the Listing Brokerage and the Designated Agent are unable to continue to provide trading services to the Seller as a result of Part 5 of the Real Estate Services Rules.
- B. Immediately upon the termination of this Contract the Listing Brokerage and the Designated Agent will:
 - (i) remove the Property as an active listing of the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage has selected;
 - (ii) cease all marketing activities on behalf of the Seller;
 - (iii) remove all signs from the Property; and
 - (iv) if requested by the Seller, return all documents and other materials provided by the Seller.

15. MISCELLANEOUS PROVISIONS:

- A. "Sale" includes an exchange and "sale price" includes the value of property exchanged.
- B. The "term" of this Contract includes the period of any written extension.
- C. Interpretation of this Contract and all matters concerning its enforcement by the parties shall be governed by the laws of the Province of British Columbia.
- D. The parties acknowledge that this Contract fully sets out the terms of the agreement between them.
- E. This Contract shall be binding upon and benefit not only the parties but also their respective heirs, executors, administrators, successors and assigns.
- F. "Property" may include a leasehold interest, a business and the goodwill and assets of it, an interest, partnership or share in a business or in the goodwill and assets of it, or a manufactured home, plus any other property designated by the Seller in the Data Input Form or addendum attached.
- G. In consideration of the Board or any other real estate board disseminating information about the Property, the Seller and Listing Brokerage each assign to the Board or other real estate board all their rights and interests in and to the information related to the Property contained in this Contract, including all copyright, rights ancillary to copyright and all other proprietary rights.

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INITIALS

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16. ENTIRE AGREEMENT - THIS LISTING CONTRACT MEANS AND INCLUDES THIS AGREEMENT AND THE SELLER'S PROPERTY DISCLOSURE STATEMENT (WHEN ATTACHED AND SIGNED BY THE SELLER): Seller acknowledges having read and understood this Contract; that it accurately describes the agreement with the Listing Brokerage; and that a copy of it has been received by the Seller this date. Where the Seller is comprised of more than one party, the obligations under this Contract of each and every party comprising the Seller shall be joint and several.

SIGNED, SEALED & DELIVERED THIS 5th DAY OF July YR. 2024

The Seller declares their residency:

RESIDENT OF CANADA

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 NON-RESIDENT OF CANADA

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 as defined under the *Income Tax Act*.

Carleen Roth
SELLER'S SIGNATURE



Marlin Tobias
SELLER'S SIGNATURE



SELLER'S SIGNATURE



WITNESS

WITNESS

WITNESS

Jeff Brown
PER: MANAGING BROKER'S SIGNATURE/AUTHORIZED SIGNATORY



Nick Renton
DESIGNATED AGENT'S SIGNATURE



William Wright Commercial
LISTING BROKERAGE (PRINT)

Nick Renton
DESIGNATED AGENT'S NAME (PRINT NAME)

*PREC represents Personal Real Estate Corporation

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

BC2040 REV. JAN 2023

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PROPERTY ADDRESS

MULTIPLE LISTING CONTRACT SCHEDULE "A"**Excluded Parties Clause**

Notwithstanding any other provisions of this Agreement, it is expressly understood and agreed that the following parties (the "Excluded Parties") have been previously contacted by the Seller and shall be excluded from any obligation to pay a cooperating commission in the event that any of the Excluded Parties or any corporation, partnership, or entity in which any of the Excluded Parties have an interest, purchase the Property during the term of this Agreement or within 6 months after the termination of this Agreement:

1. All Nations Cannabis and Miika Adams
2. Joint Venture Craft Cannabis
3. Kyle Morley and affiliated companies
4. Empire of the Sun Cannabis Co.
5. Way 2 Grow
6. NextLeaf
7. Blue Sky

In the event that any transaction is consummated with any of the Excluded Parties or any related corporation, partnership, or entity in which any of the Excluded Parties have an interest, no cooperating commission shall be due or payable to any cooperating broker, and the Listing Broker shall not be held liable for any cooperating commission related to such transaction.

The Agent shall:


- a) provide experienced representatives who will devote themselves to the sale of the Property.
- b) consult with the Vendor's representative on a periodic basis as required by the Vendor;
- c) provide current market data to the Vendor;
- d) plan, administer, and implement a direct solicitation program to cover a broad, cross section of potential purchasers on a local, national and international basis;
- e) co-operate with all realtors and real estate companies and share commissions, for bona fide introductions made by such realtors of potential purchasers with whom the Agent is not already dealing.
- f) negotiate the offer to purchase as required by the Vendor, present such offer to purchase to the Vendor along with recommendations for acceptance, rejection or counter offer and assist with the documentation and execution of the final agreement;
- g) ensure that all offers are in writing and are submitted promptly to the Vendor through the Agent, including offers received from other real estate companies or cooperating realtors. The Agent acknowledges that it has no authority to accept any offers on behalf of the Vendor;
- h) endeavour to prolong all offers for an adequate period of time in order to facilitate review by the Vendor;
- i) provide liaison between the purchaser and the Vendor as required;
- j) provide personalized attention to the purchaser to create the best possible continuing relationship with the Vendor;
- k) devote as much time to its duties pursuant to this Agreement as shall be requisite to achieve the objectives herein contemplated.

All offers to be sent by way of fax or email without the Buyer's Agent present.

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INITIALS

This is Exhibit " **P** " referred to in the affidavit of **Marlin Tobias** sworn before me at **Salmon Arm** this **13** day of **November 20, 24**.


A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883

WILLIAM | WRIGHT

Canngroup Development Corp
56 Hadow Rd.
Enderby, BC

RE: Marketing and Listing Summary for MLS 10319875

To Whom it May Concern,

William Wright Commercial ("WWC") was asked to bring the following site to public market through the MLS system on July 3, 2024 as per the attached listing agreement in ("Schedule A"):

- **MLS 10319875 - 56 Hadow Rd. Enderby, BC – PID 012 818 526**

The goal of the listing was to provide a wide reaching marketing effort to find a purchaser for the land, building, fixtures. Additional equipment and chattels there were on site were to be the sole responsibility of the Vendor to either include in the sale or sell as a separate agreement outside of our listing.

On July 3, 2024, the listing was activated and I made targeted emails and contacts to industry specific groups as well as those industries that may benefit from the site profile and building, including:

- Cannabis Growers, extraction, and processing
- Indoor vertical farming, indoor cultivation of organics, and other related uses.
- Brewing, distilling, and other alcoholic and non alcoholic production and extraction
- Laboratory and medical users (subject to ALR requirements)

On July 31, 2024 WWC activated our full marketing release including email, social media, podcast, and direct mail out. Attached is the stat package for that initial release. Subsequent postings and releases were not specifically tracked due to doubling of data points; however, there were initial releases of the email to the our internal data distribution lists. In total, there were 2,474 direct views of the site through our 6,493 direct contacts. Moreover, this was posted through my social media channels including: Instagram, Facebook, LinkedIn, and Twitter. Stats from social media accounts and mail outs from personal channels are not available.

The key challenges for the property with respect to showings and site demand were as following:

- Agricultural Land Reserve ("ALR") site restrictions prevented most preferred uses of the building and its operations outside of Cannabis and indoor extraction/cultivation.
- Due to the site restrictions, financing and available capital is not readily available to most groups that could benefit from the purpose built use.
- The location of the property, while near direct transportation routes, is considered rural and underserved for most larger distribution channels.
- There is a currently a stigma associated with Cannabis and related industries, and most groups that inquired indicated they will "wait for additional market volatility to settle"

WILLIAM | WRIGHT

Moving forward should the current offer not be executed, we will continue to market the property with the intention of finding a suitable Buyer that can maximize the immense replacement cost value of the site for owner occupied operations. Additionally, we will continue to engage with the District of Enderby, Agricultural Land Commission, and local officials to uncover additional approved uses for the site.

If any additional information is required, please reach out directly.

Regards,

Authenticity
Nick Renton 10/31/24

WILLIAM | WRIGHT

Nick Renton
Broker

Cell: 778-584-5308 | Office: 236-420-3558

nick.renton@williamwright.ca | williamwright.ca

205-478 Bernard Ave. Kelowna, BC V1Y 6N7

William Wright Commercial Real Estate

Services

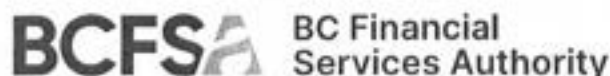
Vancouver | Tri-Cities | Fraser Valley | Victoria |

Central Island | Kelowna | Kamloops



CANADA'S TOP GROWING COMPANIES 2023

THE GLOBE AND MAIL REPORT ON BUSINESS



Your Relationship with a Real Estate Professional

Real estate professionals have a regulatory requirement to present you with this consumer information before providing services to you.

This information explains the different relationships you can have with a real estate professional to buy, sell or lease property. Before you disclose confidential information to a real estate professional regarding a real estate transaction, you should understand what type of business relationship you have with that individual.

BC Financial Services Authority is the legislated regulatory agency that works to ensure real estate professionals have the skills and knowledge to provide you with a high standard of service. All real estate professionals must follow rules that help protect consumers, like you. We're here to help you understand your rights as a real estate consumer.

Keep this information page for your reference.

You can work with a real estate professional in one of the following ways:

AS A CLIENT

If you are the client of a real estate professional, they work on your behalf. The real estate professional representing you has special legal duties to you, including:

- **Loyalty.** They will act only in your best interests.
- **Full disclosure.** They must tell you everything they know that might influence your decision in a transaction.
- **Avoid conflicts of interest.** They must avoid any situation that would affect their duty to act in your best interests.
- **Confidentiality.** They must not reveal your private information without your permission, even after your relationship ends. That includes:
 - your reasons for buying, selling or leasing
 - your minimum/maximum price
 - any preferred terms and conditions you may want to include in a contract

When you become a client, you may be asked to sign a written agreement setting out your and the real estate professional's responsibilities.

AS A NON-CLIENT

A real estate professional who is not representing you as a client does not owe you special legal duties:

- **No loyalty.** They may be representing a client with competing interests to yours in a transaction. They must be loyal to their client, not you.
- **No duty of full disclosure.** They do not have a duty to give you all relevant information.
- **No duty to avoid conflicts.** They are not acting in your interests.
- **No confidentiality.** They must share any information you tell them with their clients in a transaction.

As a non-client, a real estate professional may give you only limited services.

Whenever a real estate professional works with you in a real estate transaction, whether you are their client or not, they have a responsibility to act honestly and with reasonable care and skill.

Did you know buyers have a right to cancel a contract to purchase some types of residential real property in B.C.? To learn more about the Home Buyer Rescission Period, visit www.bcfsa.ca or talk to your real estate licensee, a lawyer, or a notary.

Your Relationship with a Real Estate Professional

DISCLOSURE OF REPRESENTATION IN TRADING SERVICES

This is a required disclosure form in compliance with sections 54 of the Real Estate Services Rules. **Your real estate professional must present the Your Relationship with a Real Estate Professional information page to you along with this disclosure form.**

REAL ESTATE PROFESSIONAL DISCLOSURE DETAILS

I disclose that I am (check one):

- representing you as my client
- not representing you as a client

Nick Renton

Name

Team name and members, if applicable. The duties of a real estate professional as outlined in this form apply to all team members.

William Wright Commercial

Brokerage

Nick Renton

07/05/24

Signature

Date

Notes:

Listing Agreement for 56 Hadow Rd

CONSUMER ACKNOWLEDGMENT:

This is NOT a contract

I acknowledge that I have received the **Your Relationship with a Real Estate Professional** consumer information page and this disclosure form.

Canngroup Development Corp.

Name (optional)

Name (optional)

MT CR

07/09/24

Initials (optional)

Date

Initials (optional)

Date

A copy of this disclosure is not required to be provided to BC Financial Services Authority unless it is specifically requested.



MULTIPLE LISTING CONTRACT

MULTIPLE LISTING SERVICE® MLS® OFFICE USE ONLY

DATE _____ LISTING MLS® NO _____

BETWEEN: Canngroup Development Corp.
OWNER(S) ("SELLER")

OWNER(S) ("SELLER")

OWNER(S) ("SELLER")

301 2706 30 Avenue
UNIT ADDRESS

Vernon BC V1T2B6
CITY PROV PC

TELEPHONE NUMBER _____ CELL NUMBER _____

AND: William Wright Commercial
(*LISTING BROKERAGE*)

205 478 Bernard Ave
UNIT ADDRESS

Kelowna BC V1Y 6N7
CITY PROV PC

236-420-3558
TELEPHONE NUMBER CELL NUMBER

1. LISTING AUTHORITY AND TERM:

A. The Seller hereby lists exclusively with the Listing Brokerage the property described in Clause 2 ("Property")

from July MONTH 3rd DAY 2024 YEAR (Effective Date) until 11:59 pm on

January MONTH 3rd DAY 2025 YEAR (Expiry Date) unless renewed in writing.

B. The Seller hereby:

- (i) authorizes the Listing Brokerage to obtain information concerning the Property from any person, corporation or governmental authority, including any mortgagee and British Columbia Assessment, and to share this information with other parties, including members of any real estate board;
- (ii) authorizes the Listing Brokerage to advertise the Property and to show it to prospective buyers during reasonable hours;
- (iii) restricts the advertising of the Property to the Listing Brokerage only except where the advertising of the Property by other members of the real estate board of which the Listing Brokerage is a member (hereinafter referred to as the "Board") or any other real estate board has been permitted by the Listing Brokerage;
- (iv) agrees to allow the Listing Brokerage to place "For Sale" and "Sold" signs upon the Property; and
- (v) agrees to allow Cooperating Brokerages (as hereinafter defined) and, with the written consent of the Seller, a sub-agent of the Listing Brokerage ("Sub-Agent") to show the Property to prospective buyers.

2. PROPERTY:

<u>56</u>	<u>Hadow</u>	<u>RD</u>
UNIT NO.	HOUSE NO.	STREET NAME
<u>Enderby, BC</u>	<u>V0E1V3</u>	
CITY/TOWN/MUNICIPALITY	POSTAL CODE	
<u>012-818-526</u>		
PID	OTHER PID(S)	

CR	MT	
INITIALS		

PROPERTY ADDRESS

THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE 6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968, KAP45121 AND KAP53741

LEGAL DESCRIPTION

3. TERMS OF SALE: \$ 3,900,000

LISTING PRICE

TERMS

4. LISTING SERVICE AND COOPERATING BROKERAGES: The Seller authorizes the Listing Brokerage:

- A. To list the Property with the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage selects and has access to and to cooperate with brokerages (which may include the Listing Brokerage) and their designated agents (other than the Designated Agent) acting for a prospective buyer ("Cooperating Brokerages");
- B. To publish in the Multiple Listing Service® of the Board, the Multiple Listing Service® of any other real estate board, Internet, or anywhere else that the Listing Brokerage selects and has access to, and to share with other parties, including British Columbia Assessment, the information contained in this Contract, the information contained in the Data Input Form and the Seller's Property Disclosure Statement, if applicable, and the sale price of the Property once an unconditional accepted offer exists; and
- C. To make agency disclosures required of the Listing Brokerage.

5. LISTING BROKERAGE'S REMUNERATION:

- A. The Seller agrees to pay the Listing Brokerage a gross commission equal to the amount set out in Clause 5D, in accordance with this Clause 5, if:
 - (i) a legally enforceable contract of sale between the Seller and a Buyer is entered into during the term of this Contract; or
 - (ii) a legally enforceable contract of sale between the Seller and a Buyer who is introduced to the Property or to the Seller, by the Listing Brokerage, the Designated Agent (as hereinafter defined), a Sub-Agent, a Cooperating Brokerage or any other person including the Seller during the term of this Contract is entered into:
 - (a) within sixty (60) days after the expiration of the term of this Contract; or
 - (b) any time after the period described in (a) where the efforts of the Listing Brokerage, the Designated Agent (as hereinafter defined), the Sub-Agent or the Cooperating Brokerage were an effective cause; provided, however, that no such commission is payable if the Property is listed with another licensed brokerage after the expiration of the term of this Contract and sold during the term of that listing contract; except, in the case of (i) or (ii), if the Property is "residential real property" (as defined in the *Home Buyer Rescission Period Regulation*) that is not exempt and the buyer has exercised their right of rescission set out in Section 42 of the *Property Law Act* within the prescribed period and in the prescribed manner for doing so in which case no remuneration will be payable by the Seller; or
 - (iii) an offer to purchase is obtained from a prospective buyer during the term of this Contract who is ready, willing and able to pay the Listing Price and agrees to the other terms of this Contract, even if the Seller refuses to sign the offer to purchase.
- B. The Seller will pay the remuneration due to the Listing Brokerage under this Clause 5 on the earlier of the date the sale is completed, or the completion date, or where no contract of sale has been entered into seven (7) days after written demand by the Listing Brokerage.

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INITIALS

PROPERTY ADDRESS

C. The Seller agrees that, to assist in obtaining a buyer for the Property, the Listing Brokerage will offer to Cooperating Brokerages and Sub-Agents a portion of the Listing Brokerage's commission.

D. (i) Upon the occurrence of an event described in Clauses 5A(i), 5A(ii) or 5A(iii), the Seller will pay remuneration to the Listing Brokerage of an amount equal to:

3% of the purchase price

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission (commission + tax = remuneration).

(ii) If there is a Cooperating Brokerage, the Listing Brokerage will pay to the Cooperating Brokerage, from the remuneration paid to the Listing Brokerage by the Seller pursuant to Clause 5D(i), an amount equal to:

1% of the purchase price. See Schedule A for conditions to the co-operating commission.

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission; and the Listing Brokerage will retain, from the remuneration paid to the Listing Brokerage by the Seller pursuant to Clause 5D(i), an amount equal to:

2% of the purchase price

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission.

(iii) If there is no Cooperating Brokerage, the Listing Brokerage will retain the entire amount of the remuneration paid by the Seller pursuant to Clause 5D(i), being an amount equal to:

3% of the purchase price

of the sale price of the Property, plus applicable Goods and Services Tax and other applicable tax in respect of the commission.

E. The Listing Brokerage and the Designated Agent will advise the Seller of any remuneration, other than described in this Clause 5, to be received by the Listing Brokerage in respect of the Property.

6. ASSIGNMENT OF REMUNERATION: The Seller hereby irrevocably:

A. Assigns to the Listing Brokerage from the proceeds of sale of the Property, the amount of remuneration due to the Listing Brokerage and authorizes the Listing Brokerage to retain from the deposit monies the amount of the Listing Brokerage's remuneration;

B. Acknowledges that the Listing Brokerage may assign to a Cooperating Brokerage, a Sub-Agent or both of them all or part of the remuneration due to the Listing Brokerage; and

C. Directs, or agrees to sign such documents as may be required by the Listing Brokerage irrevocably directing a Lawyer or Notary Public acting for the Seller or a buyer, to pay the remuneration due to the Listing Brokerage, or the net amount remaining after the deposit monies held in trust have been credited against the remuneration due to the Listing Brokerage, to the Listing Brokerage a Sub-Agent, and a Cooperating Brokerage, where applicable, by separate cheques to the Listing Brokerage, the Sub-Agent and the Cooperating Brokerage.

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7. DESIGNATED AGENCY:

- A. Subject to Clause 7C(iii) the Listing Brokerage designates Nick Renton

(the "Designated Agent") to act as the sole agent of the Seller in respect of the Property and will designate one or more licensees of the Listing Brokerage to act as the sole agents of all buyers and other sellers also represented by the Listing Brokerage. If for any reason the license of the Designated Agent (or where the Designated Agent is comprised of more than one licensee, the licenses of all of those licensees) is suspended, cancelled or becomes inoperative under the *Real Estate Services Act* or the Designated Agent (or where the Designated Agent is comprised of more than one licensee, all of those licensees) is temporarily unavailable or ceases to be engaged by the Listing Brokerage, the Listing Brokerage will designate another licensee of the Listing Brokerage to act as the sole agent of the Seller;

- B. The Designated Agent will not disclose to other licensees, including licensees of the Listing Brokerage who represent buyers or other sellers, any confidential information of the Seller obtained through the Designated Agent's agency relationship with the Seller unless authorized by the Seller or required by law.
- C. The Seller agrees that:
- (i) subject to (iii) an agency relationship will exist only with the Designated Agent;
 - (ii) information obtained by the Designated Agent through the Designated Agent's agency relationship with the Seller will not be attributed to the Listing Brokerage or to other licensees of the Listing Brokerage who represent buyers or other sellers;
 - (iii) the Listing Brokerage's agency relationship is limited to listing the Property with the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage selects and has access to; and
 - (iv) for the purposes of Clauses 1B, and 4, the term Listing Brokerage shall include the Designated Agent.

8. THE DESIGNATED AGENT WILL:

- A. Act as the agent of only the Seller with respect to the Property;
- B. Provide information about the Property to Sub-Agents and Cooperating Brokerages;
- C. Subject to Clause 9A use reasonable commercial efforts to market the Property and to promote the interests of the Seller;
- D. At the earliest reasonable opportunity, advise any buyer interested in the Property that the Designated Agent is the agent of the Seller;
- E. Fulfill the duties set out in
 - (i) Real Estate Services Rule 30, except as modified or made inapplicable by agreement between the Listing Brokerage and the Seller, and
 - (ii) Real Estate Services Rule 33 and 34;
- F. Obey all lawful instructions of the Seller that are consistent with the Real Estate Services Act, the Real Estate Services Rules, the REALTOR® Code and all applicable Rules and Bylaws of the real estate board or association including related Regulation and Policies;

9. THE LISTING BROKERAGE AGREES:

- A. That the services set out in Schedule "A" will be provided. Where the Listing Brokerage and the Designated Agent have chosen or agreed not to provide services to the Seller other than submitting the listing for posting with the Multiple Listing Services® of the Board and any other real estate board that the Listing Brokerage selects and has access to, Schedule "A" may include modifications to Clauses 5A, 5B, 6A, 6B, 6C, 8B, 8C, 8D, 8E, 10A, 10C, 10D, 10F and 10G;

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- B. To monitor and supervise the activities of the Designated Agent to ensure compliance by the Designated Agent with the provisions of this Contract and with the Listing Brokerage's policies and procedures governing designated agents;
- C. Not to disclose confidential information of the Seller to any person unless authorized by the Seller or required by law;
- D. To treat the interests of the Seller and all buyers and other sellers also represented by the Listing Brokerage in an even handed, objective and impartial manner; and
- E. To hold all monies received by the Listing Brokerage in trust in accordance with the *Real Estate Services Act*.

10. THE SELLER AGREES:

- A. To promptly advise the Designated Agent of, and refer to the Designated Agent, all inquiries for the purchase of the Property, and to deliver to the Designated Agent all offers to purchase which may be received during the term of this exclusive Contract or arising by reason of it;
- B. That the Seller has the authority to sell the Property and to enter into this Contract;
- C. That the Seller will disclose to the Designated Agent all third party claims and interests in the Property known to the Seller;
- D. That the Seller will disclose to the Designated Agent all material latent defects affecting the Property known to the Seller and that the Designated Agent may provide that information to prospective buyers;
- E. That all information provided to the Listing Brokerage and the Designated Agent by the Seller is and will be accurate to the best of the Seller's knowledge;
- F. That the Seller will immediately advise the Designated Agent of any material changes in the physical condition or status of the Property or the information provided by the Seller;
- G. That the Seller will provide the Designated Agent with all information necessary for the listing and marketing of the Property;
- H. That the Designated Agent is being retained solely to provide real estate services and not as a lawyer, tax advisor, lender, certified appraiser, surveyor, structural engineer, home inspector or other professional service provider; and
- I. That the Property is not currently the subject of any other exclusive listing contract.

11. THE SELLER ACKNOWLEDGES AND AGREES THAT:

- A. The information relating to the Property may be disclosed to persons interested in the Property including prospective buyers, agents of prospective buyers, appraisers, financial institutions, governments and governmental departments and agencies;
- B. The duties set out in Real Estate Services Rule 30 apply only to the Designated Agent and do not apply to any other licensees of the Listing Brokerage who represent buyers or other sellers and, subject to Clauses 9B, 9C and 9D, do not apply to the Listing Brokerage.
- C. The Listing Brokerage or the Designated Agent may provide trading services to, have agency relationships with or be engaged by other sellers, or have agency relationships with or be engaged by buyers, unless doing so would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules;
- D. In the case that the provision of trading services to the Seller contemplated hereby and the provision of trading services to a buyer or another seller constitutes or becomes a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Seller acknowledges and agrees that the Listing Brokerage and the Designated Agent, as applicable, must comply with Real Estate Services Rule 65 and may be required to cease providing certain trading services to the Seller;

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- E. Despite Real Estate Services Rule 30(f), the Listing Brokerage and the Designated Agent will not be required to disclose to the Seller confidential information obtained through any agency relationship; and
- F. A Seller, who is a non-resident of Canada, must comply with the *Income Tax Act* of Canada before the sale of the Seller's property can be completed.

12. CONFLICTS OF INTEREST:

- A. If the Designated Agent's provision of trading services to the Seller in respect of the Property and a buyer with whom the Designated Agent has an agency relationship would constitute a dual agency that is not permitted by Part 5 of the Real Estate Services Rules, the Designated Agent may request consent from the Seller and such buyer to continue to represent either the Seller or such buyer in respect of the Property and terminate their agency relationship with the other party. In such case, the Designated Agent will present such buyer and the Seller with a written agreement in compliance with Section 65 of the Real Estate Services Rules (the "Consent Agreement"). Notwithstanding anything else in this Contract, if the Seller and such buyer consent to the Designated Agent continuing to act for one of them, and terminating the agency relationship with the other, in respect of the Property and they execute the Consent Agreement, the parties hereto agree as follows:
 - (i) if the Designated Agent ceases to act as agent of such buyer, the Seller acknowledges and agrees that the Designated Agent may otherwise in the future act as agent for such buyer in respect of property other than the Property;
 - (ii) if the Designated Agent ceases to act as agent of the Seller in respect of the Property, subject to Part 5 of the Real Estate Services Rules, the Listing Brokerage may designate another licensee of the Listing Brokerage to act as the Designated Agent of the Seller hereunder or if the Listing Brokerage is unable to or does not designate another licensee of the Listing Brokerage, the Listing Brokerage may refer the Seller to another brokerage for representation in respect of the Property; provided that, the Seller will not be obligated to accept such referral; and
 - (iii) if the Designated Agent ceases to act as the agent of the Seller in respect of the Property, the parties acknowledge that:
 - (a) the Designated Agent's agency with the Seller will terminate and the Designated Agent will no longer have any duties to the Seller as agent of the Seller, whether under this Contract, under the Real Estate Services Rules (other than their duties of confidentiality under Rule 30(e)) or otherwise; and
 - (b) the Listing Brokerage and the Designated Agent will be permitted by the terms of the Consent Agreement and the Real Estate Services Rules to continue to represent such buyer.

13. COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION:

- A. The Seller hereby consents to the collection, use and disclosure by the Listing Brokerage and by the managing broker(s), associate broker(s) and representative(s) of the Listing Brokerage (collectively the "Licensee") noted below, the Board and any other real estate board, of personal information about the Seller:
 - (i) for all purposes consistent with the listing, marketing and selling of the Property;
 - (ii) for placement in the database of the Multiple Listing Service® of the Board and of any other real estate board that the Listing Brokerage selects and has access to;
 - (iii) for the purpose of the Board and other real estate boards marketing the Property in any medium including but not limited to posting the personal information on publicly accessible websites and distributing the personal information to any persons including the public, members of the Board, members of other real estate boards governments and governmental departments and agencies, appraisers and others;

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- (iv) for compilation, retention and publication by the Board and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of the Board and other real estate boards;
 - (v) for enforcing codes of professional conduct and ethics for members of the Board and other real estate boards;
 - (vi) for all other purposes authorized in this Contract including but not limited to those described in Clauses 1B, 4A, 4B, 8B and 11A; and
 - (vi) for the purposes (and to the recipients) described in the British Columbia Real Estate Association's Privacy Notice and Consent form.
- B. The personal information provided by the Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

14. TERMINATION: The Listing Brokerage and the Seller agree that:

- A. Without prejudice to the acquired rights of the Seller or the Listing Brokerage, including without limitation the rights and obligations under Clause 5, this Contract will terminate:
 - (i) upon the expiration of the term of this Contract as specified in Clause 1A;
 - (ii) upon an earlier date than that specified in Clause 1A if mutually agreed to by the Seller and the Listing Brokerage in writing;
 - (iii) upon a completed sale of the Property prior to the expiration of the term of this Contract;
 - (iv) immediately if the Listing Brokerage's licence is suspended, cancelled or rendered inoperative under the *Real Estate Services Act*;
 - (v) upon the bankruptcy or insolvency of the Listing Brokerage or if it is in receivership; and
 - (vi) if the Listing Brokerage and the Designated Agent are unable to continue to provide trading services to the Seller as a result of Part 5 of the Real Estate Services Rules.
- B. Immediately upon the termination of this Contract the Listing Brokerage and the Designated Agent will:
 - (i) remove the Property as an active listing of the Multiple Listing Service® of the Board and any other real estate board that the Listing Brokerage has selected;
 - (ii) cease all marketing activities on behalf of the Seller;
 - (iii) remove all signs from the Property; and
 - (iv) if requested by the Seller, return all documents and other materials provided by the Seller.

15. MISCELLANEOUS PROVISIONS:

- A. "Sale" includes an exchange and "sale price" includes the value of property exchanged.
- B. The "term" of this Contract includes the period of any written extension.
- C. Interpretation of this Contract and all matters concerning its enforcement by the parties shall be governed by the laws of the Province of British Columbia.
- D. The parties acknowledge that this Contract fully sets out the terms of the agreement between them.
- E. This Contract shall be binding upon and benefit not only the parties but also their respective heirs, executors, administrators, successors and assigns.
- F. "Property" may include a leasehold interest, a business and the goodwill and assets of it, an interest, partnership or share in a business or in the goodwill and assets of it, or a manufactured home, plus any other property designated by the Seller in the Data Input Form or addendum attached.
- G. In consideration of the Board or any other real estate board disseminating information about the Property, the Seller and Listing Brokerage each assign to the Board or other real estate board all their rights and interests in and to the information related to the Property contained in this Contract, including all copyright, rights ancillary to copyright and all other proprietary rights.

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16. ENTIRE AGREEMENT – THIS LISTING CONTRACT MEANS AND INCLUDES THIS AGREEMENT AND THE SELLER'S PROPERTY DISCLOSURE STATEMENT (WHEN ATTACHED AND SIGNED BY THE SELLER): Seller acknowledges having read and understood this Contract; that it accurately describes the agreement with the Listing Brokerage; and that a copy of it has been received by the Seller this date. Where the Seller is comprised of more than one party, the obligations under this Contract of each and every party comprising the Seller shall be joint and several.

SIGNED, SEALED & DELIVERED THIS 5th DAY OF July YR. 2024

The Seller declares their residency:

RESIDENT OF CANADA

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 NON-RESIDENT OF CANADA

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 as defined under the *Income Tax Act*.

Carleen Roth
SELLER'S SIGNATURE 

Marlin Tobias
SELLER'S SIGNATURE 

SELLER'S SIGNATURE 

WITNESS

WITNESS

WITNESS

Jeff Brown
PER: MANAGING BROKER'S SIGNATURE/AUTHORIZED SIGNATORY 

Nick Renton
DESIGNATED AGENT'S SIGNATURE 

William Wright Commercial
LISTING BROKERAGE (PRINT)

Nick Renton
DESIGNATED AGENT'S NAME (PRINT NAME)

*PREC represents Personal Real Estate Corporation

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

BC2040 REV. JAN 2023

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MULTIPLE LISTING CONTRACT SCHEDULE "A"**Excluded Parties Clause**

Notwithstanding any other provisions of this Agreement, it is expressly understood and agreed that the following parties (the "Excluded Parties") have been previously contacted by the Seller and shall be excluded from any obligation to pay a cooperating commission in the event that any of the Excluded Parties or any corporation, partnership, or entity in which any of the Excluded Parties have an interest, purchase the Property during the term of this Agreement or within 6 months after the termination of this Agreement:

1. All Nations Cannabis and Miika Adams
2. Joint Venture Craft Cannabis
3. Kyle Morley and affiliated companies
4. Empire of the Sun Cannabis Co.
5. Way 2 Grow
6. NextLeaf
7. Blue Sky

In the event that any transaction is consummated with any of the Excluded Parties or any related corporation, partnership, or entity in which any of the Excluded Parties have an interest, no cooperating commission shall be due or payable to any cooperating broker, and the Listing Broker shall not be held liable for any cooperating commission related to such transaction.

The Agent shall:


- a) provide experienced representatives who will devote themselves to the sale of the Property.
- b) consult with the Vendor's representative on a periodic basis as required by the Vendor;
- c) provide current market data to the Vendor;
- d) plan, administer, and implement a direct solicitation program to cover a broad, cross section of potential purchasers on a local, national and international basis;
- e) co-operate with all realtors and real estate companies and share commissions, for bona fide introductions made by such realtors of potential purchasers with whom the Agent is not already dealing.
- f) negotiate the offer to purchase as required by the Vendor, present such offer to purchase to the Vendor along with recommendations for acceptance, rejection or counter offer and assist with the documentation and execution of the final agreement;
- g) ensure that all offers are in writing and are submitted promptly to the Vendor through the Agent, including offers received from other real estate companies or cooperating realtors. The Agent acknowledges that it has no authority to accept any offers on behalf of the Vendor;
- h) endeavour to prolong all offers for an adequate period of time in order to facilitate review by the Vendor;
- i) provide liaison between the purchaser and the Vendor as required;
- j) provide personalized attention to the purchaser to create the best possible continuing relationship with the Vendor;
- k) devote as much time to its duties pursuant to this Agreement as shall be requisite to achieve the objectives herein contemplated.

All offers to be sent by way of fax or email without the Buyer's Agent present.

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INITIALS

This is Exhibit " Q " referred to in the af-
fidavit of **Marlin Tobias**
sworn before me at **Salmon Arm**
this **13** day of **November 20, 24**.


A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 - 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883

OFFER TO PURCHASE AND AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is dated for reference November 5, 2024

BETWEEN: **BRANDT ROCK INVESTMENTS CORPORATION**

(the "Purchaser")

AND: **CANNAGROUP DEVELOPMENT CORP.**

(the "Vendor")

WHEREAS:

A. The Vendor is the legal and beneficial owner of the lands and premises located at 56 Hadow Road, Enderby, British Columbia, more particularly described in Schedule "A" attached hereto (the "Lands") and the buildings, structures and other improvements situated on the Lands (collectively, the "Buildings");

B. The Lands, Buildings, Chattels and Equipment are collectively referred to herein as the "Property"; and

C. Subject to the approval of the Court (the "Court Approval"), the Vendor has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Vendor the Property on the terms and conditions set out herein.

NOW, THEREFORE, in consideration of the various representations, warranties, conditions, terms, provisions and undertakings set out in this Agreement (the adequacy and receipt of which consideration is by each of the parties hereby admitted), the parties agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 **Definitions.** The following terms will have the following meanings:

- (a) "Acceptance Date" means the date this Agreement is executed and accepted by the Vendor and the Purchaser;
- (b) "Agreement" means the binding agreement of purchase and sale of the Property constituted by the acceptance of this Offer to Purchase and Agreement of Purchase and Sale, and every properly executed instrument which by its terms amends, modifies or supplements such agreement;
- (c) "Approval and Vesting Order" means an order issued by the Court approving this Agreement and the transactions contemplated by this Agreement, and conveying to the Purchaser all of the Vendor's right, title and interest in and to the Property free and clear of all encumbrances other than the Permitted Encumbrances, which order shall be substantially in the form of order attached hereto as Schedule "B" (with only such changes

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as the parties to this Agreement shall approve in their reasonable discretion, but in all cases in form and substance acceptable to the Vendor).

- (d) "**Buildings**" has the meaning ascribed thereto in Recital A;
- (e) "**Business Day**" means any day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (f) "**Certified Vesting Order**" has the meaning ascribed thereto in Section 8.1(a);
- (g) "**Chattels and Equipment**" means those certain chattels, tools, equipment, furniture and other personal property as set out in the list of included items to be prepared and delivered by the Vendor to the Purchaser within three (3) Business Days of the Acceptance Date;
- (h) "**Claims**" means any claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, fines, disbursements, legal fees on a solicitor and client basis, interest, demands and actions of any nature or any kind whatsoever, and "**Claim**" means any of the foregoing;
- (i) "**Closing**" means the closing of the purchase and sale of the Property at the time and in the manner provided for in this Agreement;
- (j) "**Completion Date**" means December 16, 2024, or such other date as may be mutually agreed upon in writing by the Purchaser and the Vendor;
- (k) "**Court**" means the Supreme Court of British Columbia;
- (l) "**Court Approval**" has the meaning ascribed thereto in Recital C;
- (m) "**Delivery Materials**" has the meaning ascribed thereto in Section 7.1;
- (n) "**Deposit**" means the amount paid by the Purchaser pursuant to Subsections 2.3(a);
- (o) "**Governmental Authority**" means any federal, provincial, regional, municipal or local government, government authority, office or official having jurisdiction or other political subdivision of any of them, or any entity, authority, agency or court or person exercising executive, legislative, judicial, regulatory or administrative functions on behalf of any such government, government authority, office or official having jurisdiction or other political subdivision thereof;
- (p) "**GST**" means the goods and services tax imposed under the *Excise Tax Act* (Canada);
- (q) "**GST Certificate**" has the meaning ascribed thereto in Section 11.9;
- (r) "**Lands**" has the meaning ascribed thereto in Recital A;
- (s) "**Material Contracts**" means all contracts, leases, agreements, commitments, permits, warranties, guarantees, if any, in connection with the Property, and all maintenance or other service contracts with respect to the Property;
- (t) "**Mutual Condition**" means the mutual condition in Section 6.1;
- (u) "**Mutual Condition Date**" means November 22, 2024, or such other date as may be mutually agreed upon in writing by the Purchaser and the Vendor;

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- (v) "Order" means any oral advice or warning or any directive, decision, order, notice including a notice of litigation or proceeding, letter or other written communication, that requires the taking of any measures or actions or refraining from taking any measures or actions, issued or made by any Governmental Authority under any Environmental Law;
- (w) "Permitted Encumbrances" means the permitted encumbrances described in Schedule A together with any other encumbrances approved in writing by the Purchaser in its sole discretion;
- (x) "Person" includes a firm, corporation or other entity;
- (y) "Property" has the meaning ascribed thereto in Recital Error! Reference source not found.;
- (z) "Purchase Price" means the amount described in Section 2.2;
- (aa) "Purchaser" has the meaning ascribed in the preamble hereto;
- (bb) "Purchaser's Solicitors" means Magnus Law;
- (cc) "Vendor" has the meaning ascribed in the preamble hereto; and
- (dd) "Vendor's Solicitors" means Fasken Martineau DuMoulin LLP.

ARTICLE 2
OFFER TO PURCHASE, PURCHASE PRICE AND PAYMENT

2.1 **Offer to Purchase.** The Purchaser hereby offers to purchase the Property from the Vendor on the terms and conditions set forth herein and, upon accepting such offer in the manner and within the time provided herein, the Vendor agrees to sell the Property to the Purchaser on the terms and conditions set out herein, free and clear of all liens, charges, encumbrances, easements, encroachments, claims, restrictive covenants, leasehold estates and defects of any nature and kind except the Permitted Encumbrances.

2.2 **Purchase Price.** The purchase price for the Property will be THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$3,700,000.00), subject to adjustment pursuant to Section 3.3 hereof.

2.3 **Payment of Purchase Price.** The Purchase Price will be paid as follows:

- (a) as to FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) (the "Deposit") by payment of such amount by the Purchaser to the Purchaser's Solicitors in trust within two (2) Business Days following the Purchaser's receipt of notice of the date scheduled for Court Approval; and
- (b) as to the balance of the Purchase Price (subject to the adjustments made pursuant to Section 3.3), by payment of such amount by the Purchaser to the Vendor on the Completion Date.

2.4 **Deposit.** The Deposit will be held by the Purchaser's Solicitors in a non-interest bearing trust account or certificate of deposit.

2.5 **Application of Deposit.** The Deposit will be:

- (a) paid to the Vendor:

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- (i) on the Completion Date on account of the Purchase Price, if the Vendor and the Purchaser complete the sale and purchase of the Property on the Completion Date; or
 - (ii) if, following satisfaction of the Mutual Condition, the Purchaser fails to complete the purchase of the Property in accordance with this Agreement or if the Purchaser repudiates this Agreement, then the Deposit will be absolutely forfeited to the Vendor, without prejudice to any other rights or remedies of the Vendor whether at law or in equity; or
- (b) paid to the Purchaser:
- (i) if, following satisfaction of the Mutual Condition, the Vendor fails to complete the sale of the Property in accordance with this Agreement, then the Deposit will be returned to the Purchaser as the sole remedy of the Purchaser against the Vendor.

2.6 Court Approval. The Vendor and the Purchaser acknowledge that this Agreement and the transactions contemplated hereby are subject to Court Approval. The Purchaser acknowledges it should attend at the Court hearing in person or by agent and be prepared to amend or increase its offer to purchase the Property as the Court may permit or direct. The Purchaser acknowledges that if Court Approval is not obtained in Accordance with the terms of this Agreement, the Vendor will not be liable to the Purchaser or any other person in any way whatsoever.

ARTICLE 3 COMPLETION, POSSESSION AND ADJUSTMENTS

3.1 Completion. The completion of the transactions contemplated by this Agreement will occur on the Completion Date, or such other date as may be agreed to in writing by the Vendor and the Purchaser.

3.2 Possession. Possession shall occur and shall be governed by operation of and pursuant to the terms of the Approval and Vesting Order and any further order of the Court.

3.3 Adjustments. Except as otherwise provided herein, all usual adjustments of taxes, rates, local improvement assessments and other charges and all other costs normally adjusted for on a sale of property similar to the Property, both incoming and outgoing, will be made as of 12:01 a.m. on the Completion Date. The Vendor will receive the benefit of all income and will be responsible for all expenses incurred in operating and maintaining the Property incurred for and attributable up to 11:59 p.m. on the day preceding the Completion Date and the Purchaser will receive the benefit of all income and be responsible for all expenses from and including the Completion Date. Any adjustments which are not capable of being calculated on the Completion Date will be adjusted between the parties as soon as possible after the Completion Date. All claims for readjustments must be made within a twelve month period following the Completion Date and after the expiry of such twelve month period, the adjustments made by the parties prior to the expiry of such period shall be final and binding. Without limiting the generality of the foregoing, the parties will adjust for the following, as of the Completion Date, namely:

- (a) unpaid real property or other taxes, or utilities (if any) due to the Township of Salmon Arm or any other applicable governing authority, provided that if the current year taxes are not known on the Completion Date, such taxes will be adjusted on the basis that current year taxes will be 5% higher than the previous years' taxes but the parties will readjust ten days after determination of the actual current year taxes;
- (b) electric lights and power charges, telephone charges and water rates; and

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- (c) such other adjustments as are usual and properly payable to the Purchaser or the Vendor in respect of such sale.

3.4 **Risk.** The Property will be and remain at the Vendor's risk until completion of closing on the Completion Date. During the period from the date of this Agreement to the Completion Date, the Vendor covenants and agrees to take reasonable care to protect and safeguard the Property in the ordinary and normal course.

In the event of damage to the Property that costs in excess of ten percent (10%) of the Purchase Price to repair occurring before the time of Closing by reason of fire, tempest, lightning, earthquake, flood or other Act of God, explosion, riot, civil commotion, insurrection or war, then the Purchaser may, at its sole option, exercisable by written notice to the Vendor:

- (a) terminate this Agreement, in which case the Deposit paid will be returned to the Purchaser forthwith and the parties will have no further obligations hereunder except for the obligation of the Purchaser to maintain the confidentiality of all Delivery Materials delivered to it and to return all copies of such Delivery Materials; or
- (b) complete the purchase of the Property upon the terms of this Agreement and on condition that the Vendor assign to the Purchaser the proceeds of any insurance claim made with respect to the damaged Property.

ARTICLE 4 VENDOR'S COVENANTS AND REPRESENTATIONS AND WARRANTIES

4.1 **Vendor's Representations and Warranties.** The Vendor represents and warrants to the Purchaser as representations and warranties that are true at the date hereof and will be true at the time of completion and that are to continue and to survive the purchase of the Property by the Purchaser subject to the limitations, if any, expressed herein:

- (a) the Vendor has, subject to Court Approval being obtained, the full power, authority, and capacity to enter into this Agreement and to carry out the transactions contemplated herein;
- (b) the Vendor is a "resident" of Canada for the purposes of the *Income Tax Act* (Canada);
- (c) there are no agreements to lease, lease, options to lease, rights of first refusal, tenancy agreements, licences of occupation, purchase agreements, options to purchase, rights of first refusal or rights of first offer, or guarantees or similar agreements with respect to the Property, or amendments, extensions or modifications thereof, whether written or oral, relating to any use or occupation or ownership of the Property;
- (d) the Property will, on the Completion Date, be conveyed to the Purchaser free and clear of any and all easements, rights of way, liens, mortgages, charges, pledges, security interests, leases and other encumbrances of whatsoever a nature or howsoever arising and any rights or privileges capable of becoming any of the foregoing, save and except for the Permitted Encumbrances or as provided in the Approval and Vesting Order.

4.2 **As Is Where Is.** The Purchaser hereby acknowledges that it is purchasing the Property in an "as is" condition on the Completion Date and is relying solely upon its own independent inspections, assessments and evaluations of the Property, including, without limitation, with respect to the environmental condition of the Property and the condition of the Lands, Buildings, Chattels and Equipment, and not in reliance on any representations, warranties, promises, agreements or conditions or indemnities made by the Vendor, or any party representing (or purporting to represent) the Vendor other than as is

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expressly set forth herein in writing, and agrees to accept the Property subject to any outstanding work orders or notices or infractions as to the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreement and easements. Except in respect of a breach or inaccuracy of the Vendor's representations and warranties in Section 4.1, the Purchaser hereby releases the Vendor from any Claims (including without limitation, legal fees and disbursements on a solicitor and client full indemnity basis) whenever occurring or caused which the Purchaser has, may have or will have arising from or in any way related to the Property. The provisions of this action shall not merge on, but shall survive, the Completion Date.

ARTICLE 5 PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS

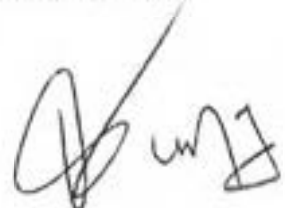
5.1 **Purchaser's Representations and Warranties.** The Purchaser hereby represents and warrants to the Vendor as representations and warranties that are true at the date hereof and will be true at the Completion Date and that are to continue to survive the purchase of the Property by the Purchaser regardless of any independent investigations that the Vendor may cause to be made that:

- (a) the Purchaser is a body corporate duly incorporated and existing under the laws of British Columbia and has full power, authority and capacity to enter into this Agreement and carry out the transactions contemplated herein;
- (b) the Purchaser is in good standing with the Office of the Registrar of Companies for British Columbia as to the filing of annual reports and has never been struck from the register of companies maintained by the Office of the Registrar of Companies for British Columbia;
- (c) all necessary corporate action on the part of the directors and shareholders of the Purchaser has been taken, or will have been taken as of the Completion Date, to authorize and approve the execution and delivery of this Agreement, the purchase of the Property and the performance and observance of the Purchaser's obligations under this Agreement;
- (d) there is no action or proceeding pending or to the Purchaser's knowledge threatened against the Purchaser before any court, arbiter, arbitrator panel or administrative tribunal or agency which, if decided adversely to the Purchaser, might materially affect the Purchaser's ability to perform any of the Purchaser's obligations hereunder;
- (e) no consent or approval or registration, declaration or filing with, any governmental commission, board, court or other regulatory body is required for the execution or delivery of this Agreement by the Purchaser, the validity or enforceability of this Agreement against the Purchaser, or the performance by the Purchaser of any of the Purchaser's obligations hereunder; and
- (f) the Purchaser is a "resident" of Canada for the purposes of the *Income Tax Act* (Canada).

5.2 **Indemnity.** The Purchaser will indemnify the Vendor against, and save each of them harmless from, any and all losses, damages or expenses, suffered by the Vendor, or any one or more of them, resulting from any misrepresentation, breach or inaccuracy of representation or term of this Agreement on the part of the Purchaser, or from any misrepresentation in any certificate, instrument or other document furnished or required to be furnished to the Vendor hereunder.

5.3 **Purchaser's Covenants.** The Purchaser covenants with and in favour of the Vendor as follows:

- (a) the Purchaser, in connection with its access to the Property, will:



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- (i) not commit the Vendor to any obligation or expense, take any action, make any statements or release any information which may result in the cancellation of or imposition of any restriction on the permits, licenses and contractual rights presently held by the Vendor or prejudice the ability of the Vendor to continue therewith or obtain a renewal thereof if this purchase transaction does not complete;
- (ii) be responsible for and will indemnify the Vendor for all damages, costs, expenses and other adverse consequences of the Purchaser's actions in connection with its access to and/or due diligence investigations regarding the Property;
- (iii) not remove, delete or alter any of the Vendor's information or records;
- (iv) coordinate its visits to the Lands with the Vendor so as to minimize disruption to the Property and to avoid undue publicity or disclosure regarding this Agreement; and
- (v) to bear all risk of injury or loss suffered by the Purchaser, its representatives and consultants in visiting the Lands and conducting an evaluation thereof.

5.4 **Survival of Purchaser's Representations, Warranties and Covenants.** The Purchaser agrees that all representations, warranties and covenants set forth in this Agreement shall be true and correct on and as at the Completion Date as though made or given on such date, and that all such representations and warranties and all covenants, agreements and obligations of the Purchaser hereunder shall not be discharged by nor merged in the closing of the transactions required and contemplated herein but shall survive such closing for a period of one year and, notwithstanding such closing, shall remain in full force and effect for the benefit of the Vendor for a period of one year from the Completion Date.

ARTICLE 6 CONDITIONS

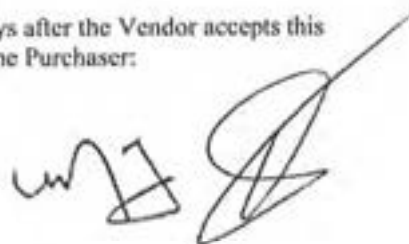
6.1 **Mutual Condition.** The obligation of the Vendor and the Purchaser to complete the sale and purchase of the Property on the Completion Date is subject to the mutual condition (the "**Mutual Condition**") for the benefit of both the Vendor and the Purchaser that on or before the Mutual Condition Date, the Vendor will have obtained Court Approval and the Approval and Vesting Order.

The Mutual Condition is for the mutual benefit of the parties and may not be waived unilaterally by either party. Both parties agree that they will use reasonable commercial efforts to satisfy the Mutual Condition. If the Mutual Condition has not been satisfied on or before the Mutual Condition Date, then the Purchaser's obligation to purchase, and the Vendor's obligation to sell, the Property will be at an end.

Each of the Vendor and the Purchaser acknowledges receipt of \$10.00 and other good and valuable consideration in consideration of the other party not revoking its acceptance of the offer hereunder while this Agreement remains subject to the foregoing conditions precedent and the parties agree that this Agreement will become an unconditional contract for the sale and purchase of the Property forthwith upon the satisfaction or waiver of such conditions precedent.

ARTICLE 7 DUE DILIGENCE

7.1 **Delivery Materials.** The Vendor will, within five (5) Business Days after the Vendor accepts this Agreement, provide the following information concerning the Property to the Purchaser:



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- (a) copies of any studies, tests, surveys, investigations, reports, plans specifications, drawings, surveys, application and permits concerning the Property which are in the possession or control of the Specified Principals, and if assignable, assigned to the Purchaser on the Completion Date and included in the Purchase Price; and
- (b) copies of any Material Contracts within the possession and control of the Specified Principals,

(collectively, the "Delivery Materials"). The Purchaser agrees to maintain the confidentiality of all such Delivery Materials so delivered, and to return all copies of the same to the Vendor forthwith if the Purchaser fails to complete its purchase of the Lands.

7.2 **Access for Investigations.** The Vendor will permit the Purchaser and the Purchaser's employees, engineers, agents and advisors to enter onto the Lands and carry out such inspections, tests, studies, surveys and investigations of the Property as the Purchaser may reasonably require, subject to obtaining the Vendor's prior written approval, such approval not to be unreasonably withheld or delayed, provided that the Purchaser's access to the Property for such purposes will be at the Purchaser's sole risk and expense. The Purchaser will be responsible for and will indemnify the Vendor for all damages, costs, expenses and other adverse consequences of the Purchaser's actions.

7.3 **Authorization.** The Vendor will execute, or cause to be executed, and return to the Purchaser or the Purchaser's Solicitors as soon as is reasonably possible all consents or letters of authority which it may be necessary for the Vendor to execute in order for the Purchaser to conduct such due diligence searches or cause inspections or tests to be made with respect to the purchase of the Property as the Purchaser determines to be necessary and will immediately forward to the Purchaser any search results which are directed to the Vendor in response to any due diligence inquiries made by or at the request of the Purchaser.

7.4 **Condition of Property.** From and after the date of this Agreement, the Vendor will cause the Property to be properly kept, repaired, maintained and insured at the Vendor's cost and expense so that on the Completion Date the Purchaser will acquire the Property in substantially the same condition and state of repair as of the date of this Agreement.

ARTICLE 8 PREPARATION OF CLOSING DOCUMENTS

8.1 **Delivery of Vendor's Closing Documents.** The Vendor will, subject to the Vendor's approval of such documents, cause the Vendor's Solicitors to deliver to the Purchaser's Solicitors the following items, duly executed by the Vendor and in registrable form wherever appropriate, to be dealt with pursuant to Article 8:

- (a) a Court-certified copy of the Approval and Vesting Order and any other orders of the Court as are necessary, all in a form registerable in all necessary offices required to effect the transfer of the Property to the Purchaser subject only to the Permitted Encumbrances (the "Certified Vesting Order"), together with a solicitor's letter to the Land Title Survey Authority of British Columbia authorizing its registration;
- (b) a Statement of Adjustments prepared in accordance with section 3.3;
- (c) the Vendor's certificate(s) setting out that the Vendor is not a non-resident of Canada within the meaning and for the purpose of Section 116 of the *Income Tax Act* (Canada);
- (d) such further deeds, acts, things, certificates and assurances as may be requisite in the reasonable opinion of the Purchaser's Solicitors and the Vendor's Solicitors for more

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perfectly and absolutely assigning, transferring, conveying and assuring to and vesting in the Purchaser, title to the Lands free and clear of any lien, charge, encumbrance or legal notation other than the Permitted Encumbrances as contemplated herein.

8.2 Delivery of Purchaser's Closing Documents. The Purchaser will, subject to the Purchaser's approval of such documents, cause the Purchaser's Solicitors to deliver to the Vendor's Solicitors the following items, duly executed by the Purchaser and in registrable form wherever appropriate, to be dealt with pursuant to Article 8:

- (a) the GST Certificate contemplated by Section 11.9;
- (b) the Purchaser's certificate that each of the Purchaser's representations and warranties contained in this Agreement are true as of the Completion Date in all materials respects; and
- (c) all documents contemplated by Section 8.1 which require execution by the Purchaser, executed by the Purchaser.

8.3 Preparation of Closing Documents. The closing documents contemplated in Sections 8.1 and 8.2 other than the Approval and Vesting Order, will be prepared by the Purchaser's Solicitors (to the extent that preparation is required) and delivered to the Vendor's Solicitors for approval at least five Business Days prior to the Completion Date. All such documents shall be in form and substance satisfactory to the solicitors for the party entitled to delivery thereof, acting reasonably.

ARTICLE 9 CLOSING PROCEDURE

9.1 Payment in Trust. On or before the Completion Date the Purchaser will pay to the Purchaser's Solicitors in trust the amount due to the Vendor pursuant to Subsection 2.3(b), as adjusted pursuant to Section 3.3, less the amount to be advanced to the Purchaser on the Completion Date under any mortgage financing arranged by the Purchaser.

9.2 Registration. Forthwith following the payment in Section 9.1 and after receipt by the Purchaser's Solicitors of the documents and items referred to in Section 8.1 and receipt by the Vendor's Solicitors of the documents referred to in Section 8.2, the Purchaser will cause the Purchaser's solicitors to file the Certified Vesting Order in the Land Title Office (together with such other documents as are required to be filed) in the Land Title Office concurrently with any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property.

9.3 Closing. Forthwith following the filing referred to in Section 9.2 and upon the Purchaser's Solicitors being satisfied as to the Purchaser's title to the Lands after conducting a post filing for registration check of the property index disclosing only the following:

- (a) the existing title number(s) of the Lands;
- (b) Permitted Encumbrances;
- (c) pending number assigned to the Certified Vesting Order; and
- (d) pending numbers assigned to any charges granted by the Purchaser including any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property, if any.

the Purchaser will cause the Purchaser's Solicitors, forthwith upon receipt by them of the proceeds of any mortgage financing arranged by the Purchaser in connection with the sale and purchase of the Lands, to deliver to the Vendor's Solicitors on the Completion Date any document referred to in Section 8.2 that has not previously been provided to the Vendor in a form executed by the Purchaser and a wire transfer or certified trust cheque in the aggregate amount of the Deposit and the balance due to the Vendor pursuant to subsection 2.3(b).

9.4 Concurrent Requirements. It is a condition of this Agreement that all requirements of this Article 9 are concurrent requirements and it is specifically agreed that nothing will be completed on the Completion Date until everything required to be paid, executed and delivered on the Completion Date has been so paid, executed and delivered and until the Purchaser's Solicitors have conducted a satisfactory post-filing for registration check pursuant to section 9.3.

9.5 Discharge of Vendor's Encumbrances. The Purchaser acknowledges and agrees that if the Vendor's title to the Lands is subject to any financial encumbrance which the Vendor is required to discharge pursuant to this Offer to Purchase, the Vendor will not be required to clear title prior to the receipt of the amount referred to in Section 9.3 but will be obligated to do so within a reasonable time following closing and the Purchaser will pay, or cause the Purchaser's Solicitors to pay, the amount referred to in subsection 9.3 to the Vendor's Solicitors in trust on their undertakings to forthwith pay and discharge such financial encumbrance from the title to the Lands.

9.6 Fees and Expenses. All documents as are necessary to complete the sale and purchase of the Lands including the Transfer will be prepared at the expense of, and registered at the expense of, the Purchaser and all documents required to clear title to the Lands of any of the Vendor's financial and other encumbrances will be prepared and registered by and at the expense of the Vendor. The Purchaser will pay the expense of registering the Certified Vesting Order and any property transfer tax due in respect of the transfer of the Lands to the Purchaser.

9.7 Payment by Wire Transfer. Notwithstanding anything else contained herein, the Purchaser will make all commercially reasonable efforts to ensure that the net sale proceeds will be paid to and received by the Vendor's Solicitors on or before 5:00 p.m. (Vancouver time) on the Completion Date. Notwithstanding any provision of this Agreement, the Parties agree that if the Purchaser is paying the Purchase Price by way of wire transfer, and if the Purchaser and the Purchaser's Solicitors have: (i) used commercially reasonable efforts to ensure that the Vendor's Solicitors will receive the such funds on or before 5:00 p.m. on the Completion Date and provided evidence that such wire transfer was initiated prior to such time to the Vendor's Solicitors, but for any reason outside of the Purchaser's control (excluding any event which is a default by the Purchaser under this Agreement) the Vendor's Solicitors do not receive the funds by such time, then the time and date on which the funds must be received by the Vendor's Solicitors will be extended to 5:00 p.m. on the next Business Day following the Completion Date, so long as the Purchaser also pays to the Vendor or the Vendor's Solicitors on such next Business Day following the Completion Date interest at a rate equal to the Prime Rate plus two percent per annum for each day from and including the Completion Date to but not including the day such payment is made. In this paragraph, "Prime Rate" means that variable annual rate of interest quoted by the main branch of Bank of Nova Scotia, Vancouver, British Columbia, from time to time as the rate of interest used by it as a reference rate for setting rates of interest on Canadian dollar loans in Canada repayable on demand and commonly referred to by such bank as its "prime rate". For example, if the Completion Date occurs on a Friday, the funds are wired on the following Monday and the funds are received by the Vendor's Solicitors at 6:00 p.m. (Vancouver time) the day after wiring, the Purchaser will pay the Vendor four days' interest.




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ARTICLE 10 INTERPRETATION

10.1 **This Agreement.** The phrase "this Agreement" means the agreement between the Vendor and the Purchaser resulting from the acceptance of the Purchaser's offer herein by the Vendor in the manner and within the time provided.

10.2 **Headings.** The headings used in and the organization of this Agreement are solely for convenience of reference and will not in any way affect, limit, amplify or modify the terms hereof and will not be construed in any way in the interpretation hereof to be part of this Agreement.

10.3 **Non-limiting.** The word "including", when following any general statement, will be construed to refer to all other things that could reasonably fall within the scope of such general statement, whether or not non-limiting language (such as "without limitation") is used with reference thereto.

10.4 **Gender and Number.** Words importing the masculine gender include the feminine and neuter genders and words in the singular include the plural, and vice versa.

10.5 **Governing Law.** This Agreement and all matters arising hereunder will be governed by and construed in accordance with the laws of British Columbia, which will be deemed to be the proper law hereof, and the courts of British Columbia will have the non-exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Agreement and the validity, existence and enforceability hereof.

10.6 **Dates for Performance.** If the date for the performance of any act or thing (including, without limitation, the date for the payment of any portion of the Deposit, the date for the removal or waiver of any condition precedent or the Completion Date) falls on a day which is not a Business Day, then the date for the performance of such act or thing will be extended to the next Business Day.

10.7 **Further Assurances.** Each of the Vendor and the Purchaser covenant and agree to execute any further and other documents and instruments, and to do any further and other things that may be necessary to implement and carry out the intent of this Offer and the agreement result from acceptance thereof by the Vendor.

ARTICLE 11 MISCELLANEOUS

11.1 **Time.** Time will be of the essence of this Agreement and will remain of the essence notwithstanding the extension of the dates hereunder.

11.2 **No Waiver.** No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as may be limited herein, either party may, in its sole discretion, exercise any and all rights, powers, remedies and recourses available to it under this Agreement or any other remedy available to it and such rights, powers, remedies and recourses may be exercised concurrently or individually without the necessity of making any election.

11.3 **Commission.** Ken Heppner, as salesperson licensed with EXP Realty (the "Purchaser's Realtor") is acting on behalf of the Purchaser. Nick Renton, as salesperson licensed with William Right (the "Vendor's Realtor") is acting on behalf of the Vendor. The Vendor shall be responsible for and shall pay the commission due to both the Purchaser's Realtor and the Vendor's Realtor pursuant to the transaction

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described in this Agreement. The payment to the Purchaser's Realtor shall be made in accordance with the attached Fee Agreement Addendum.

11.4 Entire Agreement. This Agreement and the agreements, instruments and other documents entered into pursuant to this Agreement set forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect to the matters herein and there are no oral or written agreements, promises, warranties, terms, conditions, representations or collateral agreements whatsoever, express or implied, other than those contained in this Agreement. All representations, warranties, guarantees, promises and agreements made by the parties in this Agreement will survive the Completion Date and the transfer of the Property to the Purchaser.

11.5 Amendment. This Agreement may be altered or amended only by an agreement in writing signed by the parties hereto.

11.6 Notices. Any notices, requests or demands which may or are required to be given or made hereunder will be in writing and served personally, transmitted by fax or electronic mail or sent by postage prepaid mail addressed as follows:

To the Purchaser:

BRANDT ROCK INVESTMENTS CORPORATION

Attention: Henry Peters
Email: henrywzander@gmail.com

With a copy to the Purchaser's Solicitors at:

Magnus Law
20426 Douglas Cres
Langley, British Columbia
V3A 4B4

Attention: Sanjeev Patro
Email: sanjeev@magnuslaw.ca

To the Vendor:

CANNGROUP DEVELOPMENT CORP.

Attention: Marlin Tobias
Email: marlin@canngroupcorp.com

With a copy to the Vendor's Solicitors at:

Fasken Martineau DuMoulin LLP
2900 - 550 Burrard Street
Vancouver, British Columbia
V6C 0A3

Attention: Kibben Jackson and Heidi Esslinger
Email: kjackson@fasken.com hesslinger@fasken.com

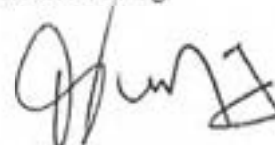
or at such other address or fax number or email address as either party may specify in writing to the other. The time of giving and receiving any such notice will be deemed to be on the day of delivery or transmittal if delivered or sent by fax or electronic mail (so long as such delivery or transmittal was carried out prior to 5:00 p.m. (Vancouver time) on a Business Day, failing which such notice will be deemed to have been given and received on the next succeeding Business Day), or on the third Business Day after the day of mailing thereof if sent by mail. In the event of any disruption of mail services, all notices will be delivered or sent by fax or electronic mail rather than mailed.

11.7 Assignment. The Purchaser shall not be permitted to assign this Agreement without the prior written consent of the Vendor, which consent may be withheld in the Vendor's sole discretion. Notwithstanding the foregoing, the Purchaser will have the right to assign its rights under this Agreement, without the consent of the Vendor, to any entity which is an "affiliate" (which has the meaning ascribed to it in the *Business Corporations Act* (British Columbia)) of the Purchaser, provided that: (a) the Purchaser will deliver written notice to the Vendor of any such assignment; and (b) the Purchaser will remain fully liable to the Vendor for the performance by any such affiliate of the obligations of the Purchaser under this Agreement and will not be released from the performance hereof. For greater certainty, the parties agree and acknowledge that the Purchaser (or a permitted assignee) may direct the Vendor to transfer legal title to a bare trustee and nominee for the Purchaser (or a permitted assignee), provided that the Purchaser will deliver written notice to the Vendor of such bare trustee and nominee at least two (2) days prior to Court Approval. The Vendor shall be entitled to any profit resulting from an assignment of this Agreement by the Purchaser.

11.8 Confidentiality. Each of the Purchaser and the Vendor and their respective principals, agents and affiliates shall not disclose any information regarding this transaction, including, without limitation, the existence of the Agreement, or the price and terms of the sale contemplated hereby, or other property information, except to its respective accountants, solicitors, lenders and advisors

11.9 GST. The Purchaser represents and warrants to the Vendor that it is and will be, as of the Completion Date, registered for the purposes of Part IX of the *Excise Tax Act* (Canada) (the "ETA") in accordance with the requirements of Subdivision D of Division V of the ETA and will assume responsibility to account for and report any GST payable under the ETA in connection with the transactions contemplated by this Agreement. The Purchase Price does not include GST and the Purchaser will pay any GST payable with respect to the acquisition of the Property in accordance with the ETA. On the Completion Date, the Purchaser will deliver to the Vendor a certificate (the "GST Certificate") of a senior officer of the Purchaser certifying, on behalf of the Purchaser and without personal liability (a) that the Purchaser is registered under Part IX of the ETA as of the Closing Date; (b) its registration number; and (c) that the Purchaser will account for, report and remit any GST payable in respect of the purchase of the Property in accordance with the ETA. The Purchaser will indemnify and hold the Vendor and their directors, officers, employees, advisors and agents harmless from any liability under the ETA arising as a result of any breach of the ETA with respect to GST payable in respect of the Property, the GST Certificate or any declaration made therein and such indemnity will survive Closing.

11.10 Provincial Sales Tax. The Purchaser acknowledges that it may be liable to pay British Columbia provincial sales tax ("PST") in respect of its purchase of some or all of the Chattels and Equipment. To the extent permitted under the Provincial Sales Tax Act (British Columbia), the Purchaser will report and remit as required by Applicable Law any such PST that is due directly to the applicable taxing authority, and otherwise will pay to the Vendor an amount equal, to the PST (if any) payable by the Purchaser and collectible by the Vendor in connection with the acquisition of the Property on Closing together with the balance of the Purchase Price. The Purchaser will indemnify and hold the Vendor and their directors, officers, employees, advisors and agents harmless from any liability related to the Purchaser's or the Vendor's failure to account for, or report and remit such PST and such indemnity will survive Closing.



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11.11 **Property Disclosure Statement.** No property condition disclosure statement concerning the Property forms part of this Agreement, regardless of whether or not such a statement is attached to it.

11.12 **Costs & Expenses.** Each party will pay its own legal fees. The Purchaser will be responsible for all registration fees, goods and services tax, general sales tax and property transfer tax payable, in connection with the sale of the Property.

11.13 **Counterparts.** This Agreement may be executed in any number of original counterparts, with the same effect as if all the parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the parties and delivered to each of the other parties. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the date first above written, and only one of which need be produced for any purpose.

11.14 **Binding Effect.** This Agreement will enure to the benefit of and be binding upon the heirs, executors, administrators, legal and personal representatives, successors and permitted assigns of the parties, as applicable.

11.15 **Execution by Electronic Means.** This Agreement may be executed by the parties and transmitted by fax or other electronic means and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original Agreement.

ARTICLE 12 DURATION OF OFFER AND BINDING EFFECT

12.1 **Offer.** The Purchaser's offer contained herein may be accepted by the Vendor by delivery by the Vendor of a copy of this Agreement with the Vendor's acceptance completed thereon to the Purchaser or to the Purchaser's Solicitors not later than 5:00 pm (Vancouver time) on October 28, 2024 and upon acceptance this Agreement will become a binding agreement for the purchase and sale of the Property in accordance with the terms hereof. If the Purchaser's offer herein is not accepted by the Vendor in the manner and within the time provided herein or if such offer is revoked by the Purchaser before it is accepted by the Vendor in the manner and within the time provided herein, then the Purchaser's offer will be extinguished and will no longer be binding on the Purchaser.

A handwritten signature in black ink, appearing to be 'J. Smith', is located in the lower right quadrant of the page.

IN WITNESS WHEREOF the Purchaser has executed this Agreement on the 5 of November, 2024.

BRANDT ROCK INVESTMENTS CORPORATION

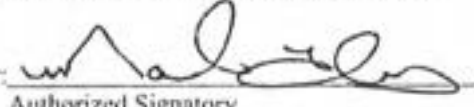
Per: 

Authorized Signatory

**ARTICLE 13
VENDOR'S ACCEPTANCE OF OFFER**

IN WITNESS WHEREOF the Vendor has executed its acceptance of the Purchaser's offer herein this 7 day of November, 2024.

CANNGROUP DEVELOPMENT CORP.

Per: 

Authorized Signatory

SCHEDULE A
DESCRIPTION OF THE LANDS
AND PERMITTED ENCUMBRANCES

Civic Address: 56 Haddow Road, Enderby, British Columbia
Legal Description:

PID: 012-818-526
THE SOUTH EAST 1/4 OF SECTION 22 TOWNSHIP 19 RANGE 9 WEST OF THE
6TH MERIDIAN KAMLOOPS DIVISION YALE DISTRICT EXCEPT PLANS B4968,
KAP45121 AND KAP53741

Permitted Encumbrances:

1. The subsisting conditions, provisos, restrictions, exceptions and reservations contained in the original grant, or in any grant or disposition from the Crown or imposed or implied by statute.
2. Statutory exceptions to title.
3. Legal Notations:
 - (i) THIS TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND COMMISSION ACT
4. Charges, Liens and Interests:
 - (i) EASEMENT E1453
APPURTENANT TO LOT 2, PLAN 10866
 - (ii) COVENANT KH118202
 - (iii) COVENANT KH118218
 - (iv) EASEMENT CA5033293
PART SHOWN ON PLAN EPP56220 APPURTENANT TO THAT PART SE 1/4, SEC
22 SHOWN ON PLAN B4968, TWP 19, RGE 9, KDYD, EXCEPT PLAN
KAP53741

SCHEDULE B

APPROVAL AND VESTING ORDER

District of British Columbia
Division No.: 04-Vernon
Court No.: VER-S-B-58732
Estate No.: 11-3145114
Vernon Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF CANNGROUP DEVELOPMENT CORP.

ORDER MADE AFTER APPLICATION

BEFORE)
) THE HONOURABLE JUSTICE [●])
))
))
))
))

___/NOV/2024

THIS COURT ORDERS AND DECLARES that:

1. The time for service of the Notice of Application for this order and the supporting materials is hereby abridged and this application is returnable today and hereby dispenses with further service thereof.
2. The sale transaction (the "Transaction") contemplated by the Contract of Purchase and Sale dated [●], 2024 (the "Sale Agreement") between the Applicant, as vendor, and Brandt Rock Investments Corporation, as purchaser, a copy of which is attached as Schedule [●] to the First Report is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Applicant is hereby authorized and approved, and the Applicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the lands described in the Sale Agreement and identified in Schedule "B" hereto (the "Lands")
3. Upon payment of the purchase price under the Sale Agreement, all of the Applicant's right, title and interest in and to the Lands shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated [Date]; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property

Security Act of British Columbia or any other personal property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Lands are hereby expunged and discharged as against the Lands.

4. Upon presentation for registration in the Land Title Office for the Land Title District of Kamloops of a certified copy of this Order, together with a letter from Fasken Martineau DuMoulin LLP, solicitors for the Applicant, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:

(a) enter the Purchaser as the owner of the Lands, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

(b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in Schedule "D".

5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Lands shall stand in the place and stead of the Lands, and from and after the payment of the purchase price by the Purchaser, all Claims shall attach to the net proceeds from the sale of the Lands with the same priority as they had with respect to the Lands immediately prior to the sale, as if the Lands had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

6. Subject to the terms of the Sale Agreement, vacant possession of the Lands shall be delivered by the Applicant to the Purchaser at 12:00 noon on the [●], or such earlier date as the Applicant and the Purchaser may agree (the "Closing Date"), subject to the Permitted Encumbrances.

7. The Applicant, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.

8. Notwithstanding:

(a) these proceedings;

(b) any applications for a bankruptcy order in respect of the Applicant now or hereafter made pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the "BIA") and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made by or in respect of the Applicant,

the vesting of the Lands in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this order and to assist the Applicant and the Proposal Trustee, and their respective agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Proposal Trustee, as an officer of this court, as may be necessary or desirable to give effect to this order, to assist the Applicant and the Proposal Trustee and their respective agents in carrying out the terms of this order.

10. The Applicant, the Purchaser, the Proposal Trustee or any other party affected by this Order have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

11. Endorsement of this Order by counsel appearing on this application other than counsel for the Applicant is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Kibben Jackson
Lawyer for the Applicant

BY THE COURT

REGISTRAR

Division No.: 04-Vernon
Court No.: _____
Estate No.: 11-3145114
Vernon Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF CANNING
DEVELOPMENT CORP.

**ORDER MADE AFTER APPLICATION
(SALE APPROVAL)**

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
550 Burrard Street, Suite 2900
Vancouver, BC, V6C 0A3
+1 604 631 3131

Counsel: Kibben Jackson
E-mail: kjackson@fasken.com
Matter No: 339917.00001

ADDENDUM



**FEE AGREEMENT SELLER PAYS
(BUYER REPRESENTED SELLER NOT REPRESENTED)**

BETWEEN: EXP Realty
(BROKERAGE)
115 7565-132 Street
UNIT ADDRESS
Surrey V3W1K5

AND: Canngroup Development Corp.
(SELLER)
(SELLER)
(SELLER)
Fraser Hwy 15635 3104
UNIT ADDRESS
30 Avenue V1T9M9

PROPERTY: 56 Hadow
UNIT NO. ADDRESS OF PROPERTY
Salmon Arm BC VOE1V3 012-818-526
CITY/TOWN/MUNICIPALITY POSTAL CODE PID

Part SE 1/4, Section 22, Township 19, Range 9, Meridian W6, Kamloops Division of Yale Land District, Except Plan, B4968, KAP45121, KAP5371

LEGAL DESCRIPTION


In consideration of the Buyer's Brokerage introducing the Buyer to the Seller or showing the Property to the Buyer through its licensee Ken Heppner ("Designated Agent") the Seller covenants and agrees with the Buyer's Brokerage as follows:

1. The Seller is the owner of the Property.
2. The Designated Agent is the agent for Brandt Rock Investments Corporation (the "Buyer"), who may be interested in purchasing the Property.
3. The Seller will pay to the Buyer's Brokerage a fee of 3.5% plus applicable Goods and Services Tax and any other applicable tax in respect of the fee (fee + tax = remuneration) if:
 - (i) a legally enforceable contract of sale between the Seller and the Buyer in respect of the Property is entered into between the date hereof and December 31 2024 (the "Expiry Date"); or
 - (ii) a legally enforceable contract of sale between the Seller and the Buyer is entered into:
 - a. within sixty (60 days) after the Expiry Date; or
 - b. any time after the period described in (a) where the efforts of the Buyer's Brokerage or the Designated Agent were an effective cause;

provided, however, that no such fee is payable if the Property is listed, or subject to another fee agreement, with another licensed brokerage after the Expiry Date and sold during the term of that listing contract or fee agreement;

except, in each case, if the Property is "residential real property" (as defined in the Home Buyer Rescission Period Regulation) that is not exempt and the Buyer has exercised their right of rescission set out in Section 42 of the Property Law Act within the prescribed period and prescribed manner for doing so in which case no fee will be payable by the Seller.
4. The remuneration due to the Buyer's Brokerage will be payable on the earlier of the date the purchase and sale is completed or the completion date set out in the Contract of Purchase and Sale.
5. Despite Clause 3 the remuneration will not be payable if the Buyer defaults and fails to complete the purchase of the Property but will be payable if the Seller defaults and fails to complete the sale of the Property.
6. The Seller acknowledges and agrees that:
 - A. the Buyer's Brokerage and the Designated Agent are acting for the Buyer throughout the transaction and


BUYER'S INITIALS


SELLER'S INITIALS

BC2051 RNE NOV 2023

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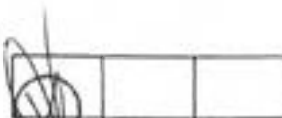
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ADDENDUM

PAGE 2 of 3 PAGES

**FEE AGREEMENT SELLER PAYS
(BUYER REPRESENTED SELLER NOT REPRESENTED)**

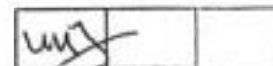
- do not owe any agency duties to the Seller;
- B. no advice concerning the Property, including price or terms of sale, has been given by the Buyer's Brokerage or the Designated Agent to the Seller;
- C. nothing in this Agreement, including the obligation of the Seller to pay the remuneration set out in Clause 3, shall be construed as creating an agency relationship between the Buyer's Brokerage or the Designated Agent and the Seller.
- D. the remuneration set out in Clause 3 shall be payable by the Seller to the Buyer's Brokerage in addition to any fee or commission payable to the Buyer's Brokerage by a third party including the Buyer and the Seller's listing brokerage, if any;
7. The Seller hereby irrevocably:
- A. assigns to the Buyer's Brokerage from the proceeds of sale of the Property the amount of remuneration due to the Buyer's Brokerage and authorizes the Buyer's Brokerage to retain from the deposit monies the amount of the Buyer's Brokerage's remuneration;
- B. agrees to sign either in the Contract of Purchase and Sale or in a separate document, an irrevocable authority directing the Buyer and the Lawyer or Notary Public acting for the Buyer or Seller to pay to the Buyer's Brokerage the remuneration due to the Buyer's Brokerage or the net amount remaining after the deposit monies held in trust have been credited against the remuneration due to the Buyer's Brokerage.
8. In this Agreement "sale" includes an exchange and "sale price" includes the value of property exchanged.
9. The Seller hereby consents to the collection, use and disclosure by the Buyer's Brokerage, and by the managing broker(s), associate broker(s) and representative(s) of the Buyer's Brokerage (collectively the "Licensee") noted below, and the real estate board in whose jurisdiction the Property is located and/or of which the Buyer's Brokerage or Licensee is a member, of personal information about the Seller:
- A. for all purposes consistent with the transaction contemplated herein;
- B. for enforcing codes of professional conduct and ethics for members of real estate boards; and
- C. for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled Privacy Notice and Consent.
- The personal information provided by the Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.
10. The interpretation of this Agreement and all matters concerning its enforcement by the parties shall be governed by the laws of the Province of British Columbia.
11. The parties acknowledge that this Agreement fully sets out the terms of the agreement between them.
12. The parties agree that this Agreement and any amendments or attachments thereto may be executed in counterparts by the parties and delivered originally or by facsimile, email, or other means of electronic transmission. Each such counterpart when so executed and delivered is deemed to be an original and all such counterparts of a relevant document taken together shall constitute one and the same relevant document as though the signatures of all the parties were upon the same document.
13. This Agreement shall be binding upon and benefit not only the parties but their respective heirs, executors, administrators, successors and assigns.



BUYER'S INITIALS

BC201 REV. NOV 2023

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SELLER'S INITIALS

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ADDENDUM

FEE AGREEMENT SELLER PAYS
(BUYER REPRESENTED SELLER NOT REPRESENTED)

SIGNED, SEALED AND DELIVERED THIS 2nd OF October, YR. 2024

The Seller declares their residency:

RESIDENT OF CANADA [initials] NON-RESIDENT OF CANADA [] as defined under the Income Tax Act.

[Signature]
SELLER'S SIGNATURE
Canngroup Development Corp.

[]
SELLER'S SIGNATURE

[]
SELLER'S SIGNATURE

WITNESS

WITNESS

WITNESS

Per: MANAGING BROKER'S SIGNATURE/AUTHORIZED SIGNATORY
EXP Realty
BROKERAGE (PRINT)

REALTOR'S SIGNATURE
Ken Hoppner
REALTOR'S NAME (PRINT NAME)

The Buyer acknowledges that the Seller and the Buyer's Brokerage have entered into this Agreement. The Buyer further acknowledges an agency relationship with the Designated Agent.

[Signature]
BUYER'S SIGNATURE
Brands Rock Investments Corporation
WITNESS

[]
BUYER'S SIGNATURE
WITNESS

[]
BUYER'S SIGNATURE
WITNESS

*PREC represents Personal Real Estate Corporation. Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MTR).



This is Exhibit " **R** " referred to in the af-
fidavit of **Marlin Tobias**
sworn before me at **Salmon Arm**
this **13** day of **November** 20, **24**



A Commissioner for taking Affidavits
for British Columbia

ZOE STEVENS
A Notary Public in and for
the Province of British Columbia
#3 – 120 Harbourfront Drive NE
Salmon Arm, BC V1E 2T3
Canada 250-803-8883

56 HADOW RD ENDERBY VOE 1V3

Area-Jurisdiction-Roll: 20-789-03394.000



Total value **\$3,520,200**

2024 assessment as of July 1, 2023

Land	\$767,200
Buildings	\$2,753,000
Previous year value	\$3,424,200
Land	\$767,200
Buildings	\$2,657,000

Property information

Year built	1995
Description	Warehouse, Storage
Bedrooms	
Baths	
Carports	
Garages	
Land size	35.89 Acres
First floor area	
Second floor area	
Basement finish area	
Strata area	
Building storeys	2
Gross leasable area	
Net leasable area	
No. of apartment units	

Legal description and parcel ID

PART SE1/4, SECTION 22, TOWNSHIP 19, RANGE 9,
 MERIDIAN W6, KAMLOOPS DIV OF YALE LAND DISTRICT,
 EXCEPT PLAN B4968 KAP45121 KAP53741
 PID: 012-818-526

Sales history (last 3 full calendar years)

No sales history for the last 3 full calendar years

Manufactured home

Width	
Length	
Total area	

Register with BC Assessment



Search properties on a map



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