



No. S-229292
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

113 ROYAL INVESTMENTS LTD.

PETITIONER

AND:

GEYSER BRANDS INC.

RESPONDENT

REQUISITION—GENERAL

Filed by: BDO Canada Limited in its capacity as court-appointed receiver of Geysler Brands Inc. and not in its personal or corporate capacity (the "Receiver")

Required: To file the First Report of the Receiver dated March 22, 2023 (the "First Report").

This requisition is supported by the following:

1. The Receiver is required to provide a filed copy of the First Report to the parties in this proceeding and to post a filed copy on the Receiver's website.

Dated: March 27, 2023

Signature

Party

Lawyer for filing party

Tevia Jeffries

THIS REQUISITION is prepared and delivered by Tevia Jeffries of the firm Farris LLP, Barristers & Solicitors, whose place of business and address for service is 2500 – 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3. Telephone: (604) 684-9151. Email: tjeffries@farris.com. **Attention: Tevia Jeffries.**

COURT FILE NUMBER

S-229292

COURT

SUPREME COURT OF BRITISH COLUMBIA

DISTRICT

VANCOUVER

**IN THE MATTER OF THE RECEIVERSHIP OF
GEYSER BRANDS INC.**

BETWEEN:

113 ROYAL INVESTMENTS LTD.

PETITIONERS

AND:

GEYSER BRANDS INC.

RESPONDENT

DOCUMENT

**FIRST REPORT OF BDO CANADA LIMITED, IN
ITS CAPACITY AS RECIEVER OF GEYSER
BRANDS INC.**

March 22, 2023

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Farris LLP
700 W Georgia St #2500,
Vancouver, BC V7Y 1B3

Attention: Tevia R.M. Jeffries
Telephone No.: (604) 661-2174
Email: tjeffries@farris.com

**IN THE MATTER OF THE RECEIVERSHIP OF
GEYSER BRANDS INC.**

**FIRST REPORT OF THE RECEIVER
March 22, 2023**

I N D E X

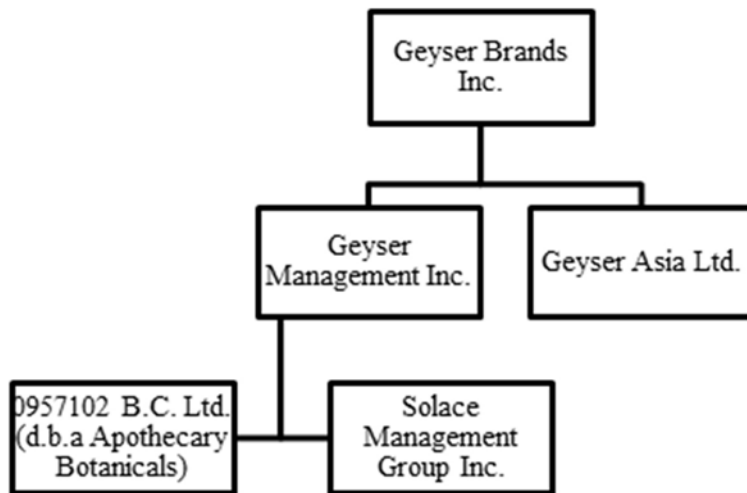
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A P P E N D I C E S

- A. Receivership Order dated December 16, 2022.
- B. Sales Process Order dated December 16, 2022.
- C. Asset Purchase Agreement dated March 7, 2023.

I. BACKGROUND AND PURPOSE OF THE REPORT

1. BDO Canada Limited was appointed Receiver (the “**Receiver**”) of the assets, undertakings, and property (the “**Property**”) of Geysler Brands Inc. (the “**Company**” or “**Geysler**”) pursuant to an Order of the Supreme Court of British Columbia dated December 16, 2022 (the “**Receivership Order**”). A copy of the Court Order is attached as **Appendix A**.
2. In conjunction with the Court Order, the Court granted a sales process order on December 16, 2022 (the “**Sales Process Order**”). A copy of the Sales Process Order is attached as **Appendix B**.
3. An organization chart showing the subsidiary companies is shown below. 0957102 B.C. Ltd. (d.b.a Apothecary Botanicals, “**Apothecary**”) is a Health Canada licensed cultivator, processor, researcher, and seller of cannabis.



4. The purpose of this report is to:
 - i. Update the Court on the Receiver’s activities to date;
 - ii. Update the Court regarding the sales and marketing process; and,
 - iii. Request the Court approve the sale of Geysler’s assets to 113 Royal Investments Ltd. (“**113 Royal**”) for \$1.3 million.

II. RECEIVER'S ACTIVITIES TO DATE

5. The Receiver has performed the following since its appointment:
- i. Taken possession of the assets;
 - ii. Terminated the sole employee;
 - iii. Borrowed \$150,000.00 from 113 Royal, as authorized by paragraph 23 of the Receivership Order, as secured by the Receiver's Borrowings Charge (as defined in the Receivership Order);
 - iv. Obtained and reviewed information to be included in the virtual data room;
 - v. Carried out a sales process for the assets, as set out in more detail below;
 - vi. Held discussions and correspondence with various prospective purchasers;
 - vii. Held discussions and correspondence with creditors and stakeholders;
 - viii. Held discussions and correspondence with legal counsel;
 - ix. Investigated legal actions against the Company and its subsidiaries; and,
 - x. Reviewed and filed employee T4's and ROE's.

III. SALES AND MARKETING

6. The assets of the Company include:
- i. The shares of subsidiaries: a) 100% ownership of Geyser Management Inc. and b) 100% ownership of Geyser Asia Limited;
 - ii. Inter-company receivables owing to Geyser from subsidiary companies as follows:
 - a) \$1,309,544 from 0957102 B.C. Ltd.;
 - b) \$61,277 from Geyser Management Inc.; and,
 - c) \$18,842 from Geyser Asia Limited.

7. The Receiver has performed the following:
 - i. Prepared a teaser letter that was sent to 46 parties;
 - ii. Corresponded with a further six prospective purchasers which contacted the Receiver directly;
 - iii. Prepared a virtual data room with due diligence materials;
 - iv. Advertised the opportunity in the national edition of the Globe and Mail on January 11, 2023;
 - v. Advertised the opportunity in the Insolvency Insider publication from January 30, 2023 to February 13, 2023;
 - vi. Posted publicly available materials, including the teaser, Receivership Order, Sales Process Order, appointment materials and notice to creditors on the Receiver's website;
 - vii. Provided data room access for five prospective purchasers who signed a non-disclosure agreement; and,
 - viii. Extended the deadline for bids from February 16, 2023, to February 28, 2023, to allow for additional due diligence time for prospective purchasers.
8. On February 27, 2023, the Receiver received an offer from 113 Royal. No subsequent offers were received on or after February 28, 2023.
9. The Receiver entered into negotiations with 113 Royal regarding the structure of its offer. In particular, 113 Royal's offer was structured such that the purchase price would be payable by way of a credit bid. After negotiations with the Receiver, 113 Royal signed a new purchase and sale agreement on March 7, 2023, which the Receiver accepted.
10. The Receiver believes that the assets have been properly marketed and exposed to the market in accordance with the Sales Process Order, and that the Receiver has made sufficient efforts to obtain the best price for the assets.
11. The Receiver further believes that the process was conducted fairly, in consideration of all stakeholders.

IV. PURCHASE AND SALE AGREEMENT

12. On February 27, 2023, the Receiver received one offer from 113 Royal. No subsequent offers were received on or after February 28, 2023.
13. On March 8, 2023, after considering the interests of all stakeholders, the Receiver accepted an offer from 113 Royal for \$1.3 million (the “Offer”). The offer is subject to Court approval. A copy of the Offer is attached as **Appendix C**.
14. The Offer can be summarized as follows:
 - i. Purchase price of \$1.3 million, paid by way of (a) forgiveness of any amounts loaned to the Receiver by 113 Royal, and secured by the Receiver’s Borrowings Charge; and (b) a credit bid for the remainder of the \$1.3 million purchase price, offsetting from the amount owing from Geysler to 113 Royal;
 - ii. Closing date to be fifteen (15) business days after Court approval; and,
 - iii. The Offer is subject to Court approval.
15. The Receiver has considered the interests of all parties and stakeholders.
16. Approval of the Offer and consummation of the transaction contemplated thereby will ensure continued operation of the business and its subsidiaries.
17. The Receiver requests that the Court approve the offer from 113 Royal.

V. PRIORITY PAYABLES

18. Royal Bank of Canada (“RBC”) holds a registered security interest over funds in any bank account the Company holds with RBC. This charge ranks in priority to the security of 113 Royal. RBC’s security was registered to cover corporate visa cards, which the Receiver understands were cancelled prior to the receivership and RBC is not owed anything further with respect to the visa cards. The Company does not have an RBC account at this time.

19. The only other claim that could rank in priority to 113 Royal's security would be a deemed trust for payroll source deductions. Canada Revenue Agency ("CRA") has advised the Receiver that it does not intend to conduct a payroll trust exam as their records indicate that the Company is current on its payroll source deduction obligations.
20. The Offer from 113 Royal is a credit bid and will in part be offset against the balance owing by Geysler to 113 Royal. Accordingly, there will not be any cash remaining from the sale of the assets to satisfy any potential claim of CRA in the event they have a claim or determine at a later date that they have a claim.
21. The Receiver has reviewed the books and records of the Company and is not aware of any other potential priority payables, other than amounts owed under the Receiver's Charge or the Receiver's Borrowings Charge, which will be dealt with on closing of the 113 Royal transaction.
22. The Receiver intends to serve CRA with the sale approval application, in addition to serving the service list.
23. 113 Royal communicated that certainty regarding any amounts potentially owing in priority to the 113 Royal debt was critical to the transaction and the Offer.
24. The Receiver is of the view that its efforts to obtain certainty that no unpaid source deductions are owed to CRA, along with ensuring CRA has sufficient notice of the sale approval application are sufficient efforts to ensure that additional priority amounts are not due and owing by the Company. Based on the results of these efforts, the Receiver is of the view that the Offer is reasonable.

VI. CONCLUSION AND RECOMMENDATION

25. The Receiver marketed the assets of the Company beginning on January 20, 2023, which concluded February 28, 2023.
26. The Receiver received one offer, which was from 113 Royal for \$1.3 million, paid by way of a credit bid. The Receiver accepted the Offer on March 8, 2023.

27. The Receiver respectfully requests that the Court approve the Offer from 113 Royal, authorize the Receiver to enter into the Purchase and Sale Agreement, and authorize the Receiver to complete the transaction contemplated thereby.

All of which is respectfully submitted this March 22, 2023.

BDO Canada Limited

Receiver of the assets, undertakings and property of
Geysler Brands Inc.



Per:

Chris Bowra, CPA, CA, CIRP
Vice President

APPENDIX A

Receivership Order dated December 16, 2022



FORM 35 (RULES 8-4(1), 13-1(3) AND 17-1(2))

No. S-229292
Vancouver Registry

In the Supreme Court of British Columbia

113 ROYAL INVESTMENTS LTD.

Petitioner

and

GEYSER BRANDS INC.

Respondent

RECEIVERSHIP ORDER MADE AFTER APPLICATION

BEFORE) THE HONOURABLE) THE 16th DAY OF
) JUSTICE GRUJES) December, 2022
))

ON THE APPLICATION of 113 Royal Investments Ltd. ("113 Royal") for an Order pursuant to Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA") and Section 39 of the Law and Equity Act, R.S.B.C. 1996 c. 253, as amended (the "LEA") appointing BDO Canada Limited as Receiver and/or Receiver and Manager (in such capacity, the "Receiver") without security, of all of the assets, undertakings and property of Geysler Brands Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, coming on for hearing this day at Vancouver, British Columbia.

AND ON READING the Affidavit #1 of Helen M. Ai sworn November 19, 2022 and the consent of BDO Canada LLP to act as the Receiver AND ON HEARING Heather A. Frydenlund, Counsel for the Petitioner, and no one else appearing, although duly served;

THIS COURT ORDERS that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA, BDO Canada Limited is appointed Receiver, without security, of all of the assets, undertakings and property of the Debtor, including all proceeds (the "Property").

RECEIVER'S POWERS

2. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
 - b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
 - c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
 - d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
 - e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

- f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting these amounts, including, without limitation, enforcement of any security held by the Debtor;
- g) to settle, extend or compromise any indebtedness owing to the Debtor;
- h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- j) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtor, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - i) without the approval of this Court in respect of a single transaction for consideration up to \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00 and

- ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

- m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;
- q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtor; (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "Persons" and each a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "Records") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may

not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might

otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of

such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post-Receivership Accounts") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to the employees' right to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtor, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The

Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

14. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other

contamination (collectively "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

16. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.
17. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - a) before the Receiver's appointment; or,
 - b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
18. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

19. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
 - a) any gross negligence or wilful misconduct on its part; or

- b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

- 20. The Receiver and its legal counsel, if any, are granted a charge (the "Receiver's Charge") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
- 21. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
- 22. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

- 23. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed

\$150,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
25. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
26. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

27. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the Property.

SERVICE AND NOTICE OF MATERIALS

28. The Receiver shall establish and maintain a website in respect of these proceedings at: <https://www.bdo.ca/en-ca/services/advisory/debt-and-financial-recovery-services/corporate-restructuring> (the "Website") and shall post there as soon as practicable:
- a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
 - b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Applicant a demand for notice in the form attached as Schedule B (the "Demand for Notice"). The Receiver and the Applicant need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.
30. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the "Service List"). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of

such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.

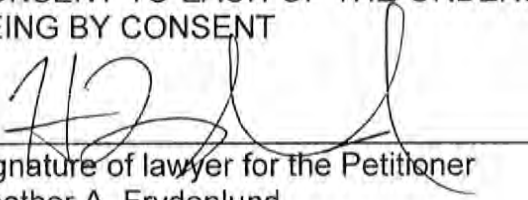
32. Notwithstanding paragraph 31 of this Order, service of the Petition and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
33. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

GENERAL


34. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
35. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
36. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

37. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
38. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
39. The [Plaintiff/Applicant] shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the [Plaintiff/Applicant]'s security or, if not so provided by the [Plaintiff/Applicant]'s security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
40. Endorsement of this Order by counsel appearing on this application other than the Petitioner is 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 lawyer for the Petitioner
Heather A. Frydenlund

By the Court.

Registrar



SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited, the Receiver and/or Receiver and Manager (the "Receiver") of all of the assets, undertakings and properties of Geysler Brands Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Supreme Court of British Columbia (the "Court") dated the _____ day of _____, 2022 (the "Order") made in SCBC Action No. _____ has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly] not in advance on the ____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2022

BDO CANADA LIMITED solely in its
capacity as Receiver of the Property, and
not in its personal capacity

Per: _____
Name:
Title:

SCHEDULE "B"
DEMAND FOR NOTICE

TO: 113 ROYAL INVESTMENTS LTD.
c/o Owen Bird Law Corporation
PO Box 1, Vancouver Centre II
2900-733 Seymour Street
Vancouver, B.C. V6B 0S6
Attention: Jonathan L. Williams
Email: jwilliams@owenbird.com

AND TO: BDO Canada Limited
1100 - 1055 West Georgia Street
Vancouver, B.C. V6E 3P3
Attention: Chris Bowra
Email: cbowra@bdo.ca

Re: In the matter of the Receivership of GEYSER BRANDS INC.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

1. By email, at the following address (or addresses):

OR

2. By facsimile, at the following facsimile number (or numbers):

OR

3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____

No. S-229292
Vancouver Registry

In the Supreme Court of British Columbia

Between

113 ROYAL INVESTMENTS LTD.

Petitioner

and

GEYSER BRANDS INC.

Respondent

RECEIVERSHIP ORDER

OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900 - 595 Burrard Street
Vancouver, BC V7X 1J5

File No. 40057/0000

APPENDIX B

Sales Process Order dated December 16, 2022



Court File No. S-229292
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

113 ROYAL INVESTMENTS LTD.

PETITIONER

AND:

GEYSER BRANDS INC.

RESPONDENT

ORDER MADE AFTER APPLICATION

BEFORE) THE HONOURABLE) THE 16th DAY OF
) JUSTICE GRUCC) December, 2022

ON THE APPLICATION of the petitioner, coming on for hearing at the Courthouse at 800 Smithe Street, Vancouver, British Columbia on the 16th day of December, 2022 and on hearing Heather A. Frydenlund, counsel for 113 Royal Investments Ltd. and those other counsel listed on Schedule "A" hereto, AND UPON READING the materials filed herein; AND PURSUANT TO the *Bankruptcy and Insolvency Act*, R.S.C. 1983 C.8-3 (the "BIA") and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS that:

Approval of Sales Process

1. BDO is hereby authorized to take steps to market and sell the assets, undertakings and property of GBI (the "Property") and engage in a sales process substantially in the form as set out in Schedule "B" to this Order (the "Sale Process").
2. For the purpose of undertaking the Sales Process, BDO is hereby authorized to take all steps and actions as may be necessary to carry out the Sales Process, including without limitation the following:
 - a) execute, assign, issue and endorse documents of whatever nature in connection with the Sales Process;

- b) market any or all of the Property pursuant to and in accordance with the Sales Process, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate; and
- c) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances.

and in each case where BDO takes any such actions or steps, it shall be authorized and empowered to do so.

3. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5 or Section 18(1)(0) of the *Personal Information Protection Act*, S.B.C. 2003, c.63, BDO may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors (collectively, "Potential Bidders"), but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to BDO, or in the alternative destroy all such information and provide proof of same. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by GBI, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed, and provide proof of same.
4. From and after the date of this Order, all communications and information requests made by Potential Bidders will be made to BDO.
5. Except upon request by, or with the consent of, BDO, no director, officer or employee of GBI shall engage in any communications with any Potential Bidder regarding the Sales Process, an actual or potential bid for the Property, or any other matter relating to the Sale Process.
6. BDO shall incur no liability or obligation as a result of it carrying out the Sales Process, save and except in the event of any gross negligence or willful misconduct on its part.

Service and Notice

7. BDO be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to any of GBI's creditors or other interested parties at their respective

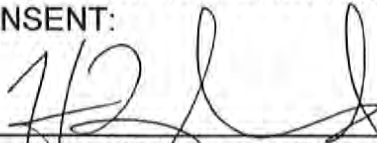
addresses as last shown on the records of GBI and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

8. BDO, and any party who has filed an Application Response may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsel's email addresses as recorded on the Service List from time to time.

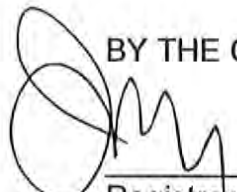
General

9. BDO may, from time to time, apply to this Honourable Court for advice and directions in connection with the Sales Process or the discharge of their powers and duties hereunder.
10. Endorsement of this Order by counsel appearing on this application, other than counsel for BDO, 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 Heather A. Frydenlund
Solicitor for 113 Royal Investments Ltd.

BY THE COURT


Registrar



SCHEDULE "A" - LIST OF COUNSEL APPEARING

Heather A. Frydenlund	Counsel for 113 Royal Investments Ltd.

SCHEDULE "B" SALES PROCESS

On _____, 2022, BDO Canada Limited ("BDO") was appointed as the receiver or receiver and manager (in such capacity, the "Receiver") of the assets, undertakings and property of Geyser Brands Inc. ("GBI" or the "Company").

The Sales Process Order and this Sales Process shall exclusively govern the process for soliciting and selecting one or more bids for the sale of all or substantially all of the assets or business of GBI, or such proportion of the assets or business of GBI in the discretion of the Receiver.

Unless otherwise indicated, any event occurring on a day that is not a Business Day shall be deemed to occur on the next Business Day.

Defined Terms

- a) "Bid Package" means the package of information to be provided by the Receiver to each Potential Bidder, which shall describe the opportunity to acquire all or substantially all of the Company Property or to invest in the Company;
- b) "Business Day" means any day other than (a) a Saturday or Sunday; or (b) a day that is a statutory holiday in Vancouver, British Columbia;
- c) "Company Business" means the business carried on by GBI;
- d) "Company Property" means the property, assets and undertakings of GBI;
- e) "Court" means the Supreme Court of British Columbia;
- f) "Investment Agreement" means any agreement entered into for the purposes of making a financial investment in GBI;
- g) "Purchase Agreement" means any agreement entered into for the purposes of purchasing of some or all of the Company Business or the Company Property;
- h) "Receiver" means BDO Canada Limited;
- i) "Sales Process" means this Sales Process;
- j) "Sales Process Order" means the Order of the Court pronounced ◆, 20◆ approving this Sales Process and making other related orders and directions;

Solicitation Process

1. This Sales Process describes, among other things, the GBI property, assets and undertakings available for sale, the manner in which prospective bidders may gain access to due diligence materials concerning GBI, the manner in which bids and

investment offers are to be submitted, the receipt and negotiation of bids and investment offers received, the ultimate selection of one or more successful bids, and the approval thereof by the Court (collectively, the "Sales Process").

2. The Receiver, shall conduct the Sales Process. In addition, the closing of any sale transaction may involve additional intermediate steps or transactions to facilitate completion of such sale or investment, including additional Court filings.
3. In the event that there is a disagreement or clarification required as to the interpretation or application of this Sales Process, the Sales Process Order or the responsibilities of the Receiver, the Court will have the jurisdiction to hear such matters and provide advice and directions upon the application of the Receiver with a hearing on no less than two (2) Business Days' notice.

"As Is, Where Is"

4. The sale of the Company Property and/or the Company Business will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by GBI, the Receiver, or any of their agents, advisors, professionals or otherwise, except to the extent expressly set forth in any relevant Purchase Agreement or Investment Agreement.

"Free of any and all Claims and Interests"

5. In the event of a sale, all of the rights, titles and interests of GBI in and to the property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, royalties and interests thereon and there against (collectively, the "Claims and Interests") pursuant to approval and vesting orders made by the Court. Contemporaneously with such approval and vesting orders being made, all such Claims and Interests, to the extent valid and enforceable, shall attach to the net proceeds of the sale of such property (without prejudice to any claims or causes of action regarding priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder.

Solicitation of Interest

6. As soon as reasonably practicable, the Receiver will finalize a list of prospective purchaser and investor groups (the "Known Potential Bidders") for an investment in GBI or the purchase of some or all of the Company Business or the Company Property. Such list will include parties who, in the Receiver's reasonable business judgment, may be interested in acquiring the Company Business or the Company Property.
7. As soon as reasonably practicable, the Receiver shall deliver a Teaser Letter of the assets being offered for sale to the Known Potential Bidders, along with a copy of this Sales Process.

8. In addition, the Receiver may place advertising with such publications as it, in its reasonable business judgment, believes may assist in locating other interested parties.
9. Any prospective purchasers that contact the Receiver will be sent a blank confidentiality and non-disclosure agreement (the "NDA") in form and substance acceptable to the Receiver, which shall inure to the benefit of GBI and any purchaser of the Company Business or Company Property.

Participation Requirements

10. Unless otherwise ordered by the Court, in order to receive the Bid Package, conduct its due diligence and participate in the Sales Process, an interested party must deliver to the Receiver:
 - a) an executed NDA, and
 - b) reasonable proof of financial capacity, if requested by the Receiver,and upon doing so each such interested party shall be deemed to be a "Potential Bidder".

Due Diligence

11. The Receiver will provide to each Potential Bidder a Bid Package, including a Confidential Information Memorandum ("CIM") prepared in consultation with GBI, describing the opportunity to acquire all, or substantially all, of the Company Business or the Company Property, or to invest in the Company.
12. Each Potential Bidder shall have such access to materials and information relating to the Company Property and the Company Business for the purpose of conducting due diligence as the Receiver, in its reasonable business judgment, deems appropriate. GBI and the Receiver shall not be obligated to furnish any due diligence information after the Bid Deadline.
13. The Receiver (and their respective officers, directors, employees, agents, counsel and professionals) is not responsible for, and will have no liability with respect to, any information obtained by any Known Potential Bidder, Potential Bidder or Qualified Bidder in connection with the Company Business or the Company Property. GBI and the Receiver (and their respective officers, directors, employees, agents, counsel and professionals) do not make any representations or warranties whatsoever as to the information or the material provided, except in the case of GBI to the extent expressly provided.
14. Prior to the Bid Deadline, the Receiver may engage in discussions with any or all of the Potential Bidders to determine and explore the level of interest of any such Potential Bidder and may request from any such Potential Bidder such further information as GBI and the Receiver deem appropriate.

Sale Bidding Process

15. In order to qualify as a "Qualified Bidder", a Potential Bidder must deliver a Qualified Bid to the Receiver so as to be received by the Notice Parties no later than 4:00 p.m. PST on February 16, 2022 (the "Bid Deadline").
16. A bid will be considered a "Qualified Bid" only if it includes a Purchase Agreement (in a form to be delivered by the Receiver no later than 21 days prior to the Bid Deadline, executed by the Potential Bidder, which complies with or is accompanied by all of the following:
 - a) A letter stating that the Purchase Agreement is irrevocable until the earlier of (a) the approval by the Court of a Successful Bid, and (b) 30 days following the Bid Deadline; provided however that if such Purchase Agreement is selected as the Successful Bid it shall remain irrevocable until the closing of the Successful Bid;
 - b) It specifies the assets being purchased, the purchase price, how the purchase price is to be paid, and provides for a closing of the purchase transaction no later than 15 business days after court approval;
 - c) There is no request or entitlement to any break-fee, expense reimbursement or similar type of payment;
 - d) Evidence, satisfactory to the Receiver, to allow it to make a reasonable determination as to the Potential Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Purchase Agreement;
 - e) It is not conditioned on (i) the outcome of unperformed due diligence by the Potential Bidder; and/or (ii) obtaining any financing and includes an acknowledgement and representation that the Potential Bidder has had an opportunity to conduct any and all required due diligence prior to executing the Purchase Agreement;
 - f) The identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Purchase Agreement, including the identification of the Potential Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
 - g) It includes a schedule of any executory contracts and unexpired leases proposed to be assigned; an acknowledgement and representation that the Potential Bidder will assume the obligations of the Company under those executory contracts and unexpired leases proposed to be assigned and, to the extent applicable, contains full details of the Potential Bidder's proposal for the treatment thereof; and it identifies with particularity any executory contract or unexpired leases the assumption and assignment of which is a condition to closing;

- h) It includes an acknowledgement and representation that the Potential Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents, information and other due diligence materials, and/or the assets to be acquired and liabilities to be assumed under the Purchase Agreement; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Receiver (and its respective officers, directors, employees, agents, counsel and professionals), except as expressly stated in the Purchase Agreement submitted by it; (iii) is a sophisticated party capable of making its own assessments in respect of the Purchase Agreement; and (iv) has had the benefit of independent legal, tax, accounting and other relevant professional advice in connection with the Purchase Agreement;
 - i) It is accompanied by a refundable deposit (the "Deposit"), in a form and amount acceptable to the Receiver, to be held in accordance with paragraph 27;
 - j) It includes evidence, in form and substance reasonably satisfactory to the Receiver, of compliance or anticipated compliance with any and all applicable regulatory approvals or the anticipated time frame for such compliance and any outstanding conditions or anticipated impediments for obtaining such approvals; and
 - k) It contains any other information reasonably requested by the Receiver.
17. Notwithstanding paragraphs 15 and 16, the Receiver may waive compliance with any one or more of the Qualified Bid requirements specified above and deem such non-compliant bids to be Qualified Bids.

No Qualified Bids

18. The Receiver will assess the Qualified Bids received, if any, and will determine whether it is likely that the transactions contemplated by such Qualified Bids are likely to be consummated and whether proceeding with this Sales Process is in the best interests of the Company and its stakeholders. Such assessments will be made as promptly as practicable but no later than five (5) Business Days after the Bid Deadline.
19. If the Receiver determines that (a) no Qualified Bid was received, (b) at least one Qualified Bid was received but it is not likely that the transactions contemplated in any such Qualified Bids will be consummated; or (c) proceeding with this Sales Process is not in the best interests of the Company and its stakeholders, the Receiver shall forthwith (i) terminate this Sales Process; (ii) notify each Potential Bidder (including any Qualified Bidder(s)) that this Sales Process has been terminated; (iii) consult with the GBI's creditors regarding the Receiver's next steps; and (iv) report to the Court if it considers it appropriate to do so.

20. If the Receiver determines that (a) one or more Qualified Bids were received, (b) it is likely that the transactions contemplated by one or more of such Qualified Bids will be consummated, and (c) proceeding with this Sales Process is in the best interests of GBI and its creditors, this Sales Process will not be terminated and the Receiver will proceed to negotiate with one or more of the Qualified Bidders in an attempt to conclude a transaction.

Selection Criteria

21. In selecting any bid, the Receiver will review each Qualified Bid. In determining the highest and best offer among Qualified Bids, a single Qualified Bid for all or substantially all of the Company Property and/or Company Business generally will be viewed as preferable to a combination of Qualified Bids.
22. Evaluation criteria with respect to any Qualified Bid may include, but are not limited to, items such as (a) the purchase price and the net value, including assumed liabilities or other obligations to be performed or assumed by the bidder; (b) the claims likely to be created by such bid in relation to the other bids; (c) the counterparties to the transaction; (d) the terms of the proposed Purchase Agreement and other transaction documents; (e) other factors affecting the speed, certainty and value of the transaction, including conditions and any regulatory approvals required to close the transaction; (f) the assets included or excluded from the bid and the transaction costs and risks associated with closing multiple transactions versus a single transaction for all or substantially all of the Company Property and/or the Company Business; (g) the estimated number of employees of the Company that will be offered post-closing employment by the bidder and any proposed measures associated with their continued employment; (h) the transition services required post-closing and any related restructuring costs; and (i) the likelihood and timing of consummating the transaction.
23. Upon the conclusion of the bidding, the Receiver will identify the highest or otherwise best Qualified Bid received (such offer, the "Successful Bid", and the Qualified Bidder(s) who made the Successful Bid is the "Successful Bidder").
24. The Receiver shall finalize any further ancillary or definitive documents required to fulfil the obligations set out in the purchase agreement in respect of the Successful Bid, if any, conditional upon the approval of the Court.
25. All Qualified Bids (other than the Successful Bid) shall be deemed rejected by the Receiver on and as of the date of approval of the Successful Bid by the Court.

Approval Hearing

26. As soon as reasonably practicable, the Receiver shall seek a hearing (the "Approval Hearing") to authorize the Receiver to enter into an agreement with the Qualified Bidder or in respect to the Successful Bid (the "Approval Order"). The Approval Hearing may be adjourned or rescheduled by the Receiver, without further notice, by notice to the service list maintained by the Receiver.

Deposits

27. All Deposits shall be retained by the Receiver and invested in a non-interest-bearing trust account in a Schedule I Bank in Canada. Upon closing of the transaction with the Successful Bidder, the Deposit (plus accrued interest) paid by the Successful Bidder shall be applied to the purchase price to be paid by the Successful Bidder. The Deposits (plus applicable interest) of all Qualified Bidders not selected as the Successful Bidder shall be returned to such bidders within five Business Days of the date upon which the Successful Bid is approved by the Court. If the Sales Process is terminated in accordance with the terms in this document, all Deposits shall be returned to the bidders within five Business Days of the date upon which it is determined that this Sales Process is terminated.
28. If the Successful Bidder breaches its obligations to close, it shall forfeit its Deposit to the Receiver, provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Receiver has against such breaching entity, and the party holding the deposit shall be obligated to release the funds to the Receiver, subject to the claims of the Receiver and GBI's creditors.

Approvals

29. For greater certainty, the approvals required pursuant to the terms of this Sales Process are in addition to and not in substitution for any other approvals required by the BIA or any other statute or are otherwise required at law in order to implement a definitive agreement with a Successful Bidder, as the case may be.

Notice Parties

30. As used herein, the "Notice Party" is the Receiver. The address to be used for delivering documents to the Notice Party is as follows:

BDO Canada Limited
Attention: Chris Bowra
Email: cbowra@bdo.ca

Attention: Martin Chan
Email: mchan@bdo.ca

31. A bid shall be delivered to all Notice Parties at the same time by electronic mail, personal delivery or courier.

Reservation of Rights

32. The Receiver, in its sole discretion:
 - a) may reject, at any time, any bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements of the BIA, this Sales Process or any

orders of the Court applicable to GBI; and/or (iii) contrary to the interests of GBI, its estate or creditors, as determined by the Receiver;

- b) in accordance with the terms hereof, may impose additional terms and conditions and otherwise seek to modify this Sales Process at any time in order to maximize the results obtained;
 - c) in accordance with the terms hereof, may accept bids not in conformity with this Sales Process to the extent that the Receiver determines, in its business judgment, that doing so will benefit GBI, its estate and its creditors;
 - d) extend the deadlines contained in this Sales Process, provided that the Bid Deadline shall not be extended beyond April 28, 2022; and
 - e) may terminate or abandon this Sales Process if the Receiver determines, in its business judgment, that doing so is in accordance with its duties as Receiver of the assets, business, and undertakings of GBI.
33. At or before the Approval Hearing, the Receiver may impose such other terms and conditions in the negotiation of a Purchase Agreement, as applicable, as the Receiver may determine to be in the best interest of GBI, its estate and its creditors, provided that such terms and conditions are not inconsistent with this Sales Process.
34. This Sales Process does not, and shall not be interpreted to, create any contractual or other legal relationship between the Receiver and any other party, other than as specifically set forth in definitive agreements that may be executed by the Receiver.

No Amendment

35. Except as provided herein, there shall be no amendments to this Sales Process, including for greater certainty the process and procedures set out in this document, without the prior written consent of the Receiver unless otherwise ordered by the Court upon application and appropriate notice.

Further Orders

At any time during this Sales Process, the Receiver may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder.

No. S-229292
Vancouver Registry

In the Supreme Court of British Columbia

Between

113 ROYAL INVESTMENTS LTD.

Petitioner

and

GEYSER BRANDS INC.

Respondent

RECEIVERSHIP ORDER

OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900 - 595 Burrard Street
Vancouver, BC V7X 1J5

File No. 40057/0000

APPENDIX C

Asset Purchase Agreement dated March 7, 2023

**PURCHASE AND SALE AGREEMENT
(Geyser Brands Inc.)**

THIS AGREEMENT is dated for reference March 7th, 2023 and is made

BETWEEN:

GEYSER BRANDS INC. (Incorporation Number BC1089947), a British Columbia corporation formed under the *Business Corporations Act* (British Columbia), In Receivership

(the "Vendor")

AND:

113 ROYAL INVESTMENTS LTD. (Incorporation Number BC1103662), a British Columbia company formed under the *Business Corporations Act* (British Columbia)

(the "Purchaser")

BACKGROUND:

- A. The Vendor is a public holding company that, through its wholly owned subsidiaries, builds health-based hemp CBD consumer products (the "**Business**") from premises in Port Coquitlam in British Columbia;
- B. On December 16, 2022 (the "**Appointment Date**") the Supreme Court of British Columbia (the "**Court**") made an order (the "**Appointment Order**") appointing BDO Canada Limited (the "**Receiver**") as receiver and manager of the Business and approved a sale solicitation process (the "**Sales Process Order**") to be conducted by the Receiver for the solicitation of offers to acquire any of the Vendor's assets;
- C. Pursuant to paragraph 20 of the Appointment Order, the Court granted a charge in favour of the Receiver and its legal counsel (the "**Receiver's Charge**") on the property of the Vendor in priority to all security interests, trusts, liens charges, and encumbrances, statutory or otherwise, in favour of any person but subject to certain provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the "**BIA**");
- D. Pursuant to paragraph 23 of the Appointment Order, the Court authorized and empowered the Receiver to borrow such monies as it may consider necessary or desirable, up to a maximum principal amount of \$150,000.00, repayment of which is secured by a fixed and specific charge (the "**Receiver's Borrowings Charge**") on the property of the Vendor, in priority to all security interests, trusts, liens charges, and encumbrances, statutory or otherwise, in favour of any person but subordinate in priority to the Receiver's Charge and the charges set out in certain provisions of the BIA;

- E. As authorized pursuant to the Appointment Order, the Receiver borrowed \$150,000.00 from the Purchaser (the "**Receiver's Borrowings**");
- F. The Purchaser is a secured creditor of the Vendor, whose security interests in the property of the Vendor is subordinate to the Receiver's Charge and the Receiver's Borrowings Charge;
- G. The Purchaser has made an offer to purchase the Purchased Assets (as hereafter defined) on the terms and conditions of this Agreement (the "**Sale Transaction**"), and the Receiver wishes to accept such offer for the Vendor, in accordance with the sales process established by the Sales Process Order;
- H. Accordingly, the Vendor and the Purchaser wish to enter into this Agreement so as to conclude the Sale Transaction, the consummation of which shall be subject, *inter alia*, to approval of the Court by an Order approving the Sale Transaction and vesting the Purchased Assets in the Purchaser; and
- I. It is understood that the majority of the Purchase Price (as hereinafter defined) is a credit bid, setting off the purchase price and deposit from the amount owing from the Vendor to the Purchaser.

FOR CONSIDERATION, the receipt and sufficiency of which is acknowledged by each of the parties, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions. In this Agreement:

- (a) "**Accounting Standards**" means at any time the accounting standards for private enterprises so described and established by the Accounting Standards Board which are applicable at such time.
- (b) "**Accounts Payable**" means trade accounts payable owed by the Vendor in respect of the Business.
- (c) "**Accounts Receivable**" means all accounts receivable, trade accounts receivable, notes receivable, book debts and other debts due or accruing due to the Vendor in respect of the Business, and the full benefit of any related security, net of applicable reserves in accordance with the Accounting Standards.
- (d) "**Business Day**" means any day that is not a Saturday, Sunday, Boxing Day, Easter Monday or statutory holiday in British Columbia.
- (e) "**Business Records**" means all documents, files, records, reports, agreements, plans, specifications, drawings, surveys, correspondence, licenses and permits in the possession or control of the Vendor relating to the Business or any of the Purchased Assets including without limitation, copies of all Contracts; copies of any permits and licenses, tax notices and assessments, copy of current insurance policies in respect of the Purchased Assets and the Business; copies of the Warranties, list of all Vehicles, a non-itemized description of all Chattels and a list of all Intellectual Property for which registration in any public office has

been made, details of capital expenditures made in the most recent two fiscal periods, building condition reports, environmental reports or assessments, inventory analyses, notices or orders received from any agency having authority over the Purchased Assets, reasonable evidence of the Vendor's insurance; copies of the Vendor's budget for the current operating year; current accounts receivable reports in respect of the Business; a year to date statement to the last fiscal year end setting out actual gross revenues and operating costs of the Business; financial statements pertaining to the Vendor's operation of the Business for the past two complete operating years, plus a year to date statement of expenditures and other capital items and items of income and expense pertaining to the operation and recoveries of the Business.

- (f) **"Chattels"** means all of the personal property owned by the Vendor including without limitation, all fixtures, leasehold improvements, personal property, plant, and equipment, inventory including spare parts, furniture whether moveable or built-in, computer hardware, kitchen equipment, tools and supplies.
- (g) **"Closing Date"** means the date that is fifteen (15) Business Days after the date that the Final Order is made.
- (h) **"Closing Documents"** has the meaning given to it in Section 8.5.
- (i) **"Contracts"** means all contracts or agreements relating to the operation of the Business, including, without limitation, purchase and sale agreements, options to purchase, contracts relating to the operation, maintenance, cleaning, security made by or on behalf of the Vendor relating to the Purchased Assets.
- (j) **"Court"** means the Supreme Court of British Columbia.
- (k) **"Current Assets"** means the Vendor's Accounts Receivable, Prepayments/Deposits and Prepaid Expenses.
- (l) **"Deposit"** has the meaning given to it in Section 2.3(a)
- (m) **"Encumbrance"** means any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registerable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, pledge, debenture, trust deed, assignment by way of security, security interest, conditional sales contract or similar interest or instrument charging, or creating a security interest in, the Purchased Assets or any part thereof or interest therein, and any agreement, lease, license, option or claim, easement, right of way, restriction, execution or other encumbrance (including any notice or other registration in respect of any of the foregoing) affecting title to or the ownership of the Purchased Assets or any part thereof or interest therein.
- (n) **"Environmental Laws"** means any and all federal, provincial, municipal or other statutory or governmental or regulatory laws and rules in effect from time to time relating to the environment, occupational safety, health or transportation.
- (o) **"ETA"** has the meaning given to it in Section 9.1.

- (p) **"Execution Date"** means the date of this Agreement.
- (q) **"Excluded Assets"** means:
- (r) **"Excluded Liabilities"** means any and all liabilities of the Vendor.
- (s) **"Final Order"** has the meaning given to it in Section 7.1(a).
- (t) **"Governmental Authority"** means (i) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise), (ii) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government, (iii) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions, and (iv) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.
- (u) **"GST"** has the meaning given to it in Section 9.1.
- (v) **"GST Certificate"** has the meaning given to it in Section 9.1.
- (w) **"Intellectual Property"** means all intellectual property and proprietary rights of any kind currently owned by the Vendor, including the following: (a) trademarks, service marks, trade names, slogans, logos, designs, symbols, trade dress, internet domain names, uniform resource identifiers, rights in design, brand names, any fictitious names, d/b/a's or similar filings related thereto, or any variant of any of them, and other similar designations of source or origin, together with all goodwill, registrations and applications related to the foregoing; (b) copyrights and copyrightable subject matter (including any registration and applications for any of the foregoing); (c) trade secrets and other confidential or proprietary business information (including manufacturing and production processes and techniques, research and development information, technology, intangibles, drawings, specifications, designs, plans, proposals, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans, customer and supplier lists and information), know how, proprietary processes, formulae, algorithms, models, industrial property rights, and methodologies; (d) computer software, computer programs, and databases (whether in source code, object code or other form); and (e) all rights to sue for past, present and future infringement, misappropriation, dilution or other violation of any of the foregoing and all remedies at law or equity associated therewith.
- (x) **"Interim Period"** means the period commencing on the Execution Date until and including the Closing Date.
- (y) **"Intercompany Loans"** means all amounts owing to the Vendor from its affiliates, including subsidiaries, estimated to be in an approximate amount of \$1,389,663 as itemized below.

- | | | |
|-------|----------------------------------|-------------|
| (i) | Due from 0957102 B.C. Ltd. | \$1,309,544 |
| (ii) | Due from Geysler Asia Ltd. | \$ 18,842 |
| (iii) | Due from Geysler Management Inc. | \$ 61,277 |
- (z) **"Inventory Assets"** means all inventories, to be used or consumed by the Vendor in the production of goods for resale in the Business, net of reserves to be maintained in accordance with the Accounting Standards.
- (aa) **"Lease"** means the lease for the premises used by the Vendor in the Business.
- (bb) **"Liability"** means, any debts, claim, liability, duty, responsibility, obligations, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed.
- (cc) **"Material Loss"** means the loss or damage to or destruction of the Purchased Assets or any part of it to such an extent that the replacement or repair of it cannot be substantially completed: (i) at a cost of less than \$250,000.00; or (ii) within three months of the occurrence.
- (dd) **"Purchase Price"** means \$1,300,000.00, which comprises:
- (i) Forgiveness of any amounts loaned to the Receiver and secured by the Receiver's Borrowings Charge; and
 - (ii) A credit bid, offsetting from the amount owing from the Vendor to the Purchaser any remaining Purchase Price not paid pursuant to (i).
- (ee) **"Purchased Assets"** means all the Vendor's right, title and interest, in and to all assets and properties of the Vendor used or held in the Business, excluding the Excluded Assets, but including, without limitation:
- (i) the Shares;
 - (ii) the Lease;
 - (iii) the Chattels;
 - (iv) the Current Assets;
 - (v) the Warranties;
 - (vi) the Vehicles;
 - (vii) the Intellectual Property;
 - (viii) the Intercompany Loans; and

- (ix) the Business Records.
- (ff) **"Purchaser's Solicitors"** means such firm of solicitors or agents as are retained by the Purchaser from time to time and written notice of which is provided to the Vendor.
- (gg) **"Regulatory Approvals"** means approvals or consents from any Governmental Authorities which govern or regulate the Business or the Vendor.
- (hh) **"Shares"** means all of the issued and outstanding shares in the capital of Geysler Management Inc. and Geysler Asia Limited, being (i) 100% ownership (10,000,000 shares) of Geysler Management Inc. (A0107657), (ii) 100% ownership of Geysler Asia Limited.
- (ii) **"Vendor's Solicitors"** means such firm of solicitors as are retained by the Vendor from time to time and written notice of which is provided to the Purchaser.
- (jj) **"Vehicles"** means all motor vehicles owned by the Vendor.
- (kk) **"Warranties"** means all subsisting warranties and guarantees benefiting any of the Purchased Assets or any part thereof that are assignable without consent and in effect on the Closing Date.

ARTICLE 2- PURCHASE AND SALE

2.1 Agreement of Purchase and Sale. Subject to the terms and conditions of this Agreement and based on the representations and warranties contained in this Agreement, the Vendor agrees to sell and the Purchaser agrees to purchase the Purchased Assets for the Purchase Price on the Closing Date free and clear of all Excluded Liabilities and Encumbrances.

2.2 As Is, Where Is. The Purchaser acknowledges and agrees that:

- (a) in entering into this Agreement and completing the transactions contemplated herein, the Purchaser has relied and will continue to rely solely upon its own due diligence with respect to the Purchased Assets;
- (b) the Purchased Assets are being purchased by the Purchaser on an "as is, where is" basis as of the Closing Date and without any representation or warranty, whether expressed or implied by this Agreement or at law, by the Vendor of any nature or kind whatsoever respecting any of the Purchased Assets or any matter relating thereto;
- (c) the Vendor makes no representations or warranties concerning any statements made or information delivered or made available to the Purchaser (whether by the Vendor, the Vendor's Solicitors or any other agents, representatives or advisors of the Vendor or any of their respective affiliates, or any other person) with respect to the Purchased Assets, whether included as part of any due diligence matters or any other information disclosed to the Purchaser or otherwise; and

- (d) except as otherwise expressly provided for in this Agreement or in the Closing Documents, the Vendor shall have no obligations or responsibility to the Purchaser after the Closing Date with respect to any matter relating to the Purchased Assets or the condition thereof.

2.3 Payment of Purchase Price. The Purchase Price for the Purchased Assets will be paid by the Purchaser as follows:

- (a) the Receiver's Borrowings shall stand in place and in stead of a deposit (the "Deposit"), which amount will be understood to be paid, forgiven or set off as required by section 2.4 hereof; and
- (b) an amount equal to the balance of the Purchase Price on or before the Closing Date in accordance with ARTICLE 8 hereof.

For avoidance of doubt, the Purchaser shall not assume any liability in respect of the Excluded Liabilities.

2.4 Deposit. The Deposit shall be paid, forgiven, or set off as follows:

- (a) on the Closing Date, an amount of the Deposit equal to the reasonable fees and disbursements of the Receiver and its legal counsel that has been incurred by the Closing Date, subject to the Receiver and its legal counsel passing their accounts as provided for in Section 21 of the Appointment Order, shall be forgiven by the Purchaser and set off against the Purchase Price;
- (b) if the Purchaser is in default of its obligation to complete the transaction contemplated by this Agreement, unless such default is waived in writing on behalf of the Vendor, an amount of the Deposit equal to the reasonable fees and disbursements of the Receiver and its legal counsel that has been incurred by the date of default, subject to the Receiver and its legal counsel passing their accounts as provided for in Section 21 of the Appointment Order, shall be forgiven by the Purchaser as liquidated damages.

2.5 Allocation of Purchase Price. The parties agree to use reasonable efforts to agree prior to the Closing Date on an allocation of the Purchase Price among the components of the Purchased Assets in accordance with the fair market value of such components on the Closing Date. However, the parties further agree that failure to agree on such an allocation prior to the Closing Date will not render this Agreement unenforceable or result in a termination of this Agreement, and in such case each of the Vendor and the Purchaser will make its own determination of allocation.

ARTICLE 3— DOCUMENTS AND INSPECTION

3.1 Business Documents. The Vendor covenants that it has made or, within five Business Days of the Appointment Date will make, the full, accurate and complete Business Records within the Vendor's possession or control available to the Purchaser and covenants that it will until the Closing Date provide the Purchaser with reasonable access to files on reasonable notice, including receivables, payables and operational and maintenance records and files, and studies and correspondence files with statutory or governmental authorities, and the Purchaser will be entitled to make photocopies of such of the material in those files as the Purchaser may

reasonably request. If for any reason the transaction contemplated in this Agreement is not completed, then the Purchaser will promptly return any such Business Records without retaining any copies. The Vendor shall use commercially reasonable efforts to provide any document relating to the Business requested by the Purchaser at any time after the Appointment Date.

3.2 Inspection. The Purchaser and its advisors will be entitled upon reasonable notice to the Vendor and in accordance with the Vendor's reasonable requirements as to security to enter the premises of the Vendor and carry out tests and inspections of the Purchased Assets, provided that such access for such purposes will be at reasonable times scheduled by the Vendor at the Purchaser's request and, at the option of the Vendor, subject to the Vendor's supervision. The Purchaser will be responsible for and indemnify the Vendor for all costs, injuries or damages to the Vendor's assets or to the Vendor, its agents or employees, directly arising out of such entry by the Purchaser and such indemnity will survive the completion of the transactions contemplated herein or earlier termination of this Agreement. In carrying out such tests and inspections and entry the Purchaser will not disrupt or unduly interfere with the Business.

3.3 Authorization. The Vendor hereby authorizes the Purchaser and its agents, consultants and advisors to meet with or correspond with appropriate statutory or governmental authorities having jurisdiction over the Vendor for the purposes of this transaction, including but not limited to inquiries with respect to compliance with laws, by laws, regulations and assessments. The Vendor will promptly, at the Purchaser's request, execute and deliver any authorizations reasonably required by the Purchaser to authorize the statutory or governmental authorities to release information to the Purchaser, provided such authorizations explicitly do not authorize or request any inspections with respect to the Purchased Assets.

ARTICLE 4— RISK

4.1 Risk. The Purchased Assets will be at the risk of the Vendor until completion of closing on the Closing Date and thereafter at the risk of the Purchaser.

4.2 Material Loss Damage. If there is any Material Loss prior to the passing of risk as set out in Section 4.1, the Purchaser will, within seven days following such Material Loss, by notice in writing at its option either:

- (a) terminate this Agreement, in which case neither party will be under any further obligation to the other; or
- (b) elect to complete the purchase of the Purchased Assets, in which case the insurance proceeds and the right to receive the proceeds of all insurance will be assigned by the Vendor to the Purchaser on the Closing Date.

Failure by the Purchaser to so elect within the period set out above will be deemed to be an election not to complete the purchase of the Purchased Assets. The Vendor will promptly notify the Purchaser if it becomes aware of any Material Loss.

4.3 Repair of Damage. The Vendor will diligently repair at its sole expense any material damage caused to the Purchased Assets while the Purchased Assets are at the risk of the Vendor, unless such damage is related to the Purchaser's access rights pursuant to Section 3.2. Subject to the Purchaser's right to terminate in Section 4.2(a), the amount of any insurance proceeds for material damage will be assigned to the Purchaser on the Closing Date, and applied on account of such repair.

ARTICLE 5 – POSSESSION

5.1 Possession Date. The Purchaser will, upon completion of the purchase and sale have possession of the Purchased Assets as of the Closing Date free and clear of all Encumbrances.

5.2 Non-assignable Assets. If any of the Purchased Assets are not transferable without consent of a third party by the terms of the applicable instruments, the Vendor shall use its best efforts to obtain such consent prior to the Closing Date and, if such consent is not obtained by the Closing Date, the Vendor shall obtain an order of the Court transferring or assigning, as applicable, such Purchased Assets to the Purchaser provided that the Vendor shall ensure that any Liability in respect of such Purchased Assets is paid or otherwise satisfied by the Vendor and there are no arrears or defaults on the part of the Vendor thereunder immediately after the closing of the transactions contemplated hereunder.

ARTICLE 6 – REPRESENTATIONS AND WARRANTIES

6.1 Purchaser's Representations and Warranties. The Purchaser represents and warrants to the Vendor, regardless of any independent investigation that the Vendor may cause to be made that:

- (a) the Purchaser is a corporation incorporated and existing under the laws of British Columbia;
- (b) the Purchaser has the corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement;
- (c) other than the Final Order, execution, delivery and performance of this Agreement by the Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority;
- (d) the Purchaser is not subject to any order of any Governmental Authority, nor are there any such orders threatened to be imposed by any Governmental Authority, which could affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Purchaser; and
- (e) the Purchaser has or will have made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the cash component of the Purchase Price; and
- (f) the Purchaser is not a non-Canadian for the purposes of the *Investment Canada Act (Canada)*.

6.2 Vendor's Representations and Warranties. The Vendor represents and warrants to the Purchaser, regardless of any independent investigation that the Purchaser may cause to be made that:

- (a) there are no agreements, options, contracts or commitments to sell, transfer or otherwise dispose of the Purchased Assets or which would restrict the ability of the Vendor to transfer the Purchased Assets to the Purchaser; and

- (b) the Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act (Canada)*.

ARTICLE 7 – CONDITION PRECEDENT

7.1 Mutual Condition. The obligation of the parties to complete the transactions contemplated by this Agreement shall be subject to the following mutual condition, which is for the benefit of both the Vendor and the Purchaser:

- (a) on or before the Closing Date, the Vendor shall have obtained an Order or Orders of the Court (collectively, the "Final Order"): (i) approving the sale of the Purchased Assets to the Purchaser on the terms of this Agreement; and (ii) on completion of the Sale Transaction under this Agreement, vesting title to the Purchased Assets in and to the Purchaser, free and clear of all Encumbrances and in a form satisfactory to the Vendor and the Purchaser.

ARTICLE 8 – CLOSING

8.1 Closing. The closing of the purchase and sale of the Purchased Assets will commence at 10:00 a.m. (Vancouver time) on the Closing Date in the offices of the Purchaser's Solicitors.

8.2 Court Order. The closing of the purchase and sale of the Purchased Assets complete pursuant to the terms of this Agreement and pursuant to the terms of the Sales Process Order, and in accordance with the sales process established thereunder.

8.3 Vendor's Closing Documents. On or before the Closing Date, the Vendor will deliver, or cause the Vendor's Solicitors to deliver, to the Purchaser's Solicitors in trust to be held in escrow as provided in this Agreement, the following duly executed as applicable and all in a form satisfactory to the Purchaser, acting reasonably:

- (a) Copy of the entered Final 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 Purchased Assets to the Purchaser;
- (b) a bill of sale conveying the Chattels to the Purchaser;
- (c) an assignment of all of the Vendor's rights under any and all Warranties wherein the Purchaser acquires all rights under the Warranties whether arising prior to or after the Closing Date; and
- (d) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

8.4 Purchaser's Closing Documents. On or before the Closing Date, the Purchaser will deliver, or cause the Purchaser's Solicitors to deliver, to the Vendor's Solicitors in trust to be held in escrow as provided in this Agreement, the following duly executed as applicable:

- (a) the GST Certificate;

- (b) a certificate dated as of the Closing Date of a senior officer of the Purchaser having knowledge of the facts certifying, on behalf of the Purchaser and without personal liability, that the representations and warranties set out in Section 6.1 are true and correct in all material respects as at the Closing Date and that the Purchaser's covenants and agreements to be observed or performed on or before the Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects; and
- (c) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

8.5 Preparation and Form of Documents. The closing documents contemplated in Sections 8.2 and 8.4 (other than the Closing Statement and the Final Order) (collectively, the "Closing Documents") will be prepared by the Purchaser's Solicitors and delivered to the Vendor's Solicitors at least five Business Days before the Closing Date. The Closing Documents (including the Closing Statement and the Final Order) will be in a form and substance reasonably satisfactory to the parties. The Vendor shall provide the Purchaser with drafts of all material to be filed with the Court no later than three Business Days prior to the date of any hearing of the Court regarding the Final Order.

8.6 Payment into Trust. On or before the Closing Date, the Purchaser will:

- (a) Pay to the Purchaser's Solicitors in trust, by way of certified cheque, bank draft, or wire transfer, funds in an amount equal to the cash portion of the Purchase Price; and
- (b) Provide to the Vendor written evidence as may be reasonably required by the Vendor indicating the forgiveness, assumption, or satisfaction of the indebtedness owing:
 - (i) In relation to the Receiver's Borrowings; and
 - (ii) from the Vendor to the Purchaser in an amount equal to the balance of the Purchase Price.

8.7 Closing Escrow. All Closing Documents, funds, and other items delivered by the parties, except the Final Order, will be held in trust by the Vendor's Solicitors and the Purchaser's Solicitors until completion of closing on the Closing Date in accordance with this Agreement. On completion of closing on the Closing Date, the Closing Documents will be released to the appropriate parties and the Purchaser will cause the Purchaser's Solicitors to pay the Purchase Price, to the Vendor's Solicitors by way of wire transfer.

8.8 Concurrent Requirements. It is a condition of the closing that all matters of payment, execution and delivery of documents by each party to the other, all pursuant to the terms of this Agreement, will be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the closing until everything required as a condition precedent at the closing has been paid, executed and delivered.

8.9 Delivery of Business Records. The Vendor will table at closing and, on release of escrow, after completion of the purchase and sale, will deliver originally executed copies of the Business Records, if in possession or control of the Vendor, to the Purchaser, to the extent not previously delivered, and will deliver up to the Purchaser the Tenant files.

8.10 Payment by Wire Transfer. Notwithstanding anything else contained herein, provided the Purchaser's Solicitors have initiated the wire transfer for the cash portion of the Purchase Price to the Vendor's Solicitors on the Closing Date, and provided the Vendor's Solicitors with written confirmation thereof, the Purchaser will be deemed to have paid the cash portion of the Purchase Price due to the Vendor if such amount is credited to the Vendor's Solicitors account by 11:00 a.m. (Vancouver time) on the first business day following the Closing Date without interest or penalty.

8.11 Termination. Notwithstanding any other provision of this Agreement:

- (a) if the transactions contemplated by this Agreement do not complete on or prior to May 31, 2023, other than as a result of the default of the Purchaser, then the Purchaser may terminate this Agreement with written notice delivered to the Vendor without any further liability; and
- (b) this Agreement will automatically terminate if the Vendor completes a Sale Transaction with any other Person.

ARTICLE 9- TAXES

9.1 GST. The Purchaser represents and warrants to Vendor that it is and will be, as of the closing on the Closing 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, report and remit any goods and services tax and harmonized sales tax (collectively, the "GST") payable under the ETA in connection with the transaction contemplated in this Agreement. On the Closing 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 Purchased Assets in accordance with the ETA. If the Purchaser delivers such GST Certificate, then the Purchaser will not be required to pay to the Vendor, and the Vendor will not be required to collect from the Purchaser nor report or remit, any GST in connection with the transaction contemplated in this Agreement. The Purchaser shall indemnify and hold the Vendor and its directors, officers, employees, advisors and agents harmless from any liability under the ETA arising as a result of any breach of this Section 9.1, the GST Certificate or any declaration made therein and such indemnity shall survive the completion of the transactions contemplated herein.

9.2 Provincial Sales Tax. The Purchaser acknowledges that it is liable to pay provincial sales tax in respect of its purchase of some or all of the Chateaus and it will report and remit as required by applicable law any such sales tax that is due directly to the applicable taxing authority. The Purchaser shall indemnify and hold the Vendor and its directors, officers, employees, advisors and agents harmless from any liability related to the Vendor's failure to account for, or report and remit such provincial sales tax and such indemnity shall survive the completion of the transactions contemplated herein.

9.3 Tax Elections. Notwithstanding the above, the Vendor will cooperate with the Purchaser to execute any election available under applicable law that may reduce or defer the amount or due date of any GST or other tax payable by the Purchaser provided such election will not result in any increased cost or tax liability for the Vendor.

9.4 Other Taxes. The Purchaser shall be responsible for all transfer taxes, fees and expenses in connection with the registration of the Final Order or transfer of the Purchased Assets and the Vendor shall be responsible for any taxes or fees in respect of the disposition of the Purchased Assets including, without limitation, income tax.

ARTICLE 10 – GENERAL

10.1 Further Assurances. Each of the parties will execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Agreement.

10.2 No Merger. The execution and delivery of the Closing Documents is not intended to and will not in any way merge or otherwise restrict the terms, covenants, conditions, representations, warranties or provisions made or to be performed or observed by the parties contained in this Agreement other than the obligation to deliver the Closing Documents.

10.3 Entire Agreement. This Agreement constitutes the entire agreement between the Vendor and the Purchaser pertaining to the purchase and sale of the Purchased Assets and supersedes all prior agreements and undertakings, negotiations and discussions, whether oral or written, of the Vendor and the Purchaser and there are no representations, warranties, covenants or agreements between the Vendor and Purchaser except as set out in this Agreement. Notwithstanding the foregoing, nothing in this Agreement negates or detracts from the terms and conditions of the guarantee dated December 9, 2022, executed by 113 Royal Investments Ltd. in favour of the Receiver.

10.4 Amendment. Subject to Section 10.5, this Agreement may only be altered or amended by an agreement in writing executed by all of the parties.

10.5 Solicitors as Agents. Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors, on behalf of the Purchaser, and by the Vendor's Solicitors, on behalf of the Vendor, and any tender of Closing Documents and the Purchase Price may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

10.6 Notices. Any notice, document or communication required or permitted to be given under this Agreement will be in writing and delivered by hand or electronic transmission as follows:

(a) if to the Purchaser:

113 Royal Investments Ltd.
2535 - 3700 No. 3 Road
Richmond, BC V6X 3X2

Attention: Geoff Woo
E-mail: 113royaltd@gmail.com

with a copy to the Purchaser's Solicitors:

Owen Bird Law Corporation
Vancouver Centre II
733 Seymour Street
Vancouver, BC V6B 0S6

Attention: Jonathan L. Williams
E-mail: jwilliams@owenbird.com

(b) if to the Vendor:

BDO Canada Limited
1100-1055 West Georgia Street
Vancouver, BC V6E 3P3

Attention: Chris Bowra
E-mail: cbowra@bdo.ca

with a further copy to the Vendor's Solicitors:

Farris LLP
2500-700 West Georgia Street
Vancouver, BC V7Y 1B3

Attention: Tevia Jeffries
E-mail: tjeffries@farris.com

or to such other address in Canada as either party may in writing advise. Any notice, document or communication will be deemed to have been given on the Business Day when delivered by hand if delivered prior to 5 p.m. (Vancouver time), otherwise will be deemed to be delivered and received on the next Business Day; or, if made by email, shall be deemed to have been given on the Business Day when transmitted if it is so transmitted prior to 5 p.m. (Vancouver time) on the day of transmittal, otherwise will be deemed to be given and received on the next Business Day.

10.7 Fees. Each of the parties will pay its own legal fees and fees of its consultants. The Purchaser will pay all registration costs and property transfer tax payable in connection with its purchase of the Purchased Assets.

10.8 Accounting Terms. Accounting terms used herein and not expressly defined shall be deemed to have such meanings as may apply on the application of the Accounting Standards.

10.9 Time. Time is of the essence of this Agreement.

10.10 Tender. Unless otherwise set out herein, any tender of documents or money may be made upon the party being tendered or upon its solicitors and money will be tendered by certified cheque, bank draft, or wire transfer.

10.11 Enurement. This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

10.12 Assignment. The Purchaser will be entitled to assign its rights and obligations under this Agreement without the consent of the Vendor to an affiliate (within the meaning of the *Business Corporations Act* (British Columbia)) of the Purchaser if: (i) the Purchaser delivers written notice of such assignment to the Vendor; (ii) the assignee enters into an agreement pursuant to which the assignee agrees to be bound by all of the obligations and Liability of the Purchaser under this Agreement as if it was the original Purchaser; and (iii) the Purchaser is not released from its obligations and Liability under this Agreement until the completion of the transactions contemplated in this Agreement, at which time the assignor will be automatically released from all of its obligations and Liability under this Agreement without the need for any further deliveries or instruments of release. The Purchaser will not otherwise be entitled to assign its rights and obligations under this Agreement except with the prior written consent of the Vendor, such consent may be arbitrarily withheld or delayed by the Vendor.

10.13 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in it.

10.14 Waiver. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provision nor will any waiver constitute a continuing waiver unless otherwise expressed or provided.

10.15 Public Announcement. The parties agree that no disclosure or announcement, public or otherwise shall be made concerning this Agreement or the transactions contemplated hereunder without the prior consent of both parties, except as otherwise required by applicable law, regulation or regulatory authority or stock exchange rules or requirements. The parties shall consult and cooperate with each other with respect to any proposed announcement of the transactions contemplated hereunder.

10.16 Currency. All dollar amounts referred to are Canadian dollars.

10.17 Construction. The division and headings of this Agreement are for reference only and are not to affect construction or interpretation.

10.18 Counterparts and Execution. This Agreement may be executed in counterparts and delivered by electronic transmission including by PDF format, and each such counterpart will constitute an original and all such counterparts together will constitute one and the same agreement.

[Signature page follows]

The parties are signing this Agreement as of the date set out above.

GEYSER BRANDS INC. (In Receivership)
by BDO Canada Limited in its capacity
as Court-appointed Receiver and not in
its personal or corporate capacity

By: Chris Baura
Name: Chris Baura
Title: Authorized Signatory

113 ROYAL INVESTMENTS LTD.

By: Helen
Name: Helen Margaret Ai
Title: Authorized Signatory