

SECURED BUSINESS PURPOSE PROMISSORY NOTE

\$3,500,000.00

July 17, 2023

FOR VALUE RECEIVED, **AVANT BRANDS INC.**, a corporation organized under the laws of the Province of British Columbia with a principal place of business located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC V6C 3E8, Attention: Norton Singhavon, Chief Executive Officer, email: [REDACTED] (the “**Borrower**”), hereby unconditionally promises to pay to **NFS LEASING CANADA LTD.**, a Canada corporation with a principal place of business located at [REDACTED] (together with its successors and assigns, the “**Lender**”), up to the aggregate principal amount outstanding at any time, of THREE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$3,500,000.00), together with accrued and other interest, fees, and all other amounts as set forth herein. The outstanding amounts due hereunder are secured by the Security Documents (defined below).

The Borrower hereby agrees in favor of the Lender, as follows:

1. **DEFINED TERMS.** As used in this Secured Business Purpose Promissory Note (this “**Note**”), the following terms shall have the following meanings:

1.1 Loan Amount: Up to \$3,500,000.00

1.2 Interest Rate: 15% per annum (“**Base Rate**”), which was determined by using the Prime Rate of 8.25% as announced by the Wall Street Journal; *provided* that, the Base Rate will be adjusted and fixed at the time of funding of each Advance and will be increased by any change to the Prime Rate as announced by the Wall Street Journal (as adjusted, the “**Interest Rate**”). In no event will the adjusted Interest Rate applicable to any Advance be less than the Base Rate.

1.3 Advance(s): Provided that (a) Borrower has complied with all of the Conditions Precedent (defined below), all other terms and conditions as set forth in this Note and, all terms and conditions identified in any other Loan Document (defined below), (b) no Event of Default (defined below) under this Note or any other Loan Documents (defined below) exist, (c) Borrower has delivered an irrevocable written request for an advance in form and substance acceptable to Lender, acting reasonably which shall include (i) the amount of the Advance, each Advance shall be in a minimum amount of \$500,000.00, (ii) the requested date of funding of the proposed Advance, and (iii) such other information requested by Lender (an “**Advance Request**”), and such Advance Request shall be delivered to Lender any time after the date hereof, but prior to the earlier to occur of (A) one year from the date of the Initial Advance, and (B) the occurrence of an Event of Default which is continuing (the “**Draw Period**”), and (d) Borrower has paid the requisite Origination Fee (defined below), Lender shall make advances to Borrower up to the Loan Amount (collectively and together with the Initial Advance (defined below), the “**Advances**” and individually, an “**Advance**”). By executing and delivering this Note, Borrower hereby makes an irrevocable request for an Advance in the amount of \$500,000.00 to be funded on or before July 31, 2023 (the “**Initial Advance**”). Lender shall fund the Initial Advance upon Lender’s confirmation to Lender’s satisfaction of

Borrower's compliance with each of the terms and conditions hereof, including without limitation, the Conditions Precedent set forth below.

If the Draw Period has terminated, Lender's obligations to make Advances shall terminate. At no time shall the aggregate outstanding principal balance of the Advances exceed the Loan Amount. This Note is not intended to be a revolving line of credit. Therefore, any Advances repaid may not be reborrowed.

1.4 Origination Fee:

A fully earned non-refundable origination fee in the amount of \$[REDACTED] (the "*Origination Fee*"). Lender confirms receipt of Origination Fee from Borrower as of the date of this Note.

1.5 Unused Fee:

During the Draw Period Borrower shall pay to Lender an unused fee in the amount equal to [REDACTED]% per quarter on the average daily unused portion of the Loan Amount accruing monthly and due and payable quarterly in arrears during the Draw Period, with payments commencing on the last day of the first full calendar quarter immediately following execution of the Loan Documents (defined below); *provided* that, such initial quarterly payment of the unused fee shall include the prorated amount for the period commencing as of the date hereof through the end of the partial calendar quarter ending prior to the first full calendar quarter after the date hereof.

1.6 Funding Date:

As to each Advance, the date on which (a) all Conditions Precedent and all other terms and conditions as to such Advance are satisfied or waived by the Lender in Lender's sole discretion, and (b) Lender makes such Advance.

1.7 Maturity Date:

This Note will terminate and all of Borrower's obligations hereunder shall be due and payable on the earlier to occur of (a) for each Advance, the date that is thirty six (36) months from the first day of the first full calendar month after the Funding Date of such Advance (the "*Term*"), and (b) occurrence of an Event of Default.

1.8 Conditions Precedent:

Lender's funding of each Advance is subject to, to Lender's satisfaction of any conditions precedent required by the Lender, including without limitation, delivery of the following to the Lender in form and substance satisfactory to Lender in its sole discretion: (a) the Origination Fee, (b) duly executed versions of this Note, the Security Documents (defined below), a Warrant (defined below), and each other document or instrument required by Lender with respect to the transactions contemplated by this Note (collectively, the "*Loan Documents*," and individually, a "*Loan Document*"), (c) as it relates to the Initial Advance, diligence materials requested by Lender, including without limitation, (i) [intentionally deleted], (ii) each Loan Party's formation and organizational documentation, including certificates of formation, articles of incorporation, operating agreements, by-laws, or similar documentation, together with resolutions or similar documentation evidencing such Loan Party's power and authority to enter into the Loan Documents to which it is a party, and to perform the transactions contemplated thereby, and (iii) such other documentation reasonably

requested by Lender, (d) evidence of general liability, property and other customary insurance coverage with respect to the Collateral (defined below), together with certain endorsements in form and substance acceptable to Lender, (e)(i) each Loan Party's representations and warranties herein, and in each other Loan Document, shall be true and correct in all material respects, as of the date of such Advance (save and except any representation given at a point in time), (ii) there shall exist no Event of Default nor any event which, with notice or lapse of time or both, would become such an Event of Default; and (iii) if it shall be so requested by Lender, a certificate signed by the Loan Parties as to the foregoing, (f) as it relates to the Initial Advance, one or more appraisals with respect to the Collateral each in form and substance acceptable to Lender in Lender's sole discretion, and (g) such other conditions precedent reasonably required by Lender with respect to the transactions contemplated herein, or any Loan Document.

1.9 Use of Proceeds:

Borrower shall use the proceeds of the Advances solely for working capital purposes as approved by Lender in writing, and for no other purposes, unless with Lender's prior written approval.

1.10 Guarantee Agreement:

A Guarantee Agreement dated on or about the date hereof, by (a) 3PL Ventures Inc., a corporation organized under the laws of the Province of British Columbia and an affiliate of Borrower ("**3PL**"), (b) Greentec Holdings Ltd., a corporation organized under the laws of the Province of British Columbia and an affiliate of Borrower ("**Greentec**") and (c) The Flowr Group (Okanagan) Inc., a corporation organized under the laws of the Province of British Columbia and an affiliate of Borrower ("**Flowr**" and collectively with 3PL and Greentec, the "**Corporate Guarantors**" and each a "**Corporate Guarantor**," and collectively with the Borrower, the "**Loan Parties**" and individually, a "**Loan Party**") in favor of Lender, and in form and substance acceptable to Lender, as the same may be, or may have been, amended, restated, supplemented or otherwise modified from time to time.

1.11 Property Mortgage:

A first position mortgage, deed of trust, or similar document in form and substance acceptable to Lender by (a) Greentec in favor of the Lender with respect to that certain real property located at 8975 Jim Bailey Crescent, Kelowna, British Columbia V4V 1S4; and (b) any Loan Party in favor of the Lender with respect to an additional real property, as mutually determined by the Lender and the Borrower, if the appraisal with respect to the real property located at 8975 Jim Bailey Crescent, Kelowna, British Columbia V4V 1S4 is not in form and substance satisfactory to the Lender in its sole discretion; as each may be, or may have been, amended, restated, supplemented or otherwise modified from time to time (the "**Collateral**").

1.12 Security Document(s):

Collectively, the Guarantee Agreement, Property Mortgage, general assignment of leases and rents, statutory declarations, environmental indemnity agreements, and any other agreements to be entered into in favor of Lender in connection with the transactions contemplated by this Note, and all other documents and instruments securing any obligations

under this Note and/or the other Loan Documents.

1.13 Dollars or \$:

All references in this Note to dollars or to "\$" are deemed to be references to Canadian currency unless otherwise specifically indicated.

2. **FUNDING:** Subject to Borrower's compliance with the terms and conditions with respect to each Advance, all Conditions Precedent and any other requirements under this Note to Lender's satisfaction, Lender shall make each Advance to Borrower on the Funding Date of such Advance.
3. **INTEREST.** Subject to the provisions of Section 5, each Advance shall bear interest on the outstanding principal amount thereof from the applicable Funding Date until paid in full at a rate per annum equal to the Interest Rate. Accrued interest shall be paid, together with all principal pursuant to the terms hereof. For purposes of the Interest Act (Canada) and thereunder, wherever interest to be paid under this Note is to be calculated on the basis of any period of time that is less than a calendar year (a "**Deemed Year**"), such rate of interest shall be expressed as a yearly rate by multiplying such rate of interest for the Deemed Year by the actual number of days in the calendar year in which the rate is to be ascertained and dividing it by the number of days in the Deemed Year.
4. **PAYMENT TERMS:** Borrower shall make monthly payments of principal and interest, which shall be due and payable in arrears commencing on the first day of the first full calendar month after the Funding Date for such Advance, and thereafter, on the first day of each consecutive calendar month thereafter through the Maturity Date (collectively, the "**Monthly Payments**"). With respect to Advances funded on a date other than the first date of any calendar month, a prorated amount of interest on such Advances shall accrue from the Funding Date of such Advance and shall be due and payable in arrears upon the first day of the first full calendar month after the Funding Date of such Advance. Borrower shall repay the entire outstanding principal balance of each Advance, together with any unpaid interest, and Future Interest (defined below), upon the earlier to occur of the (i) the end of the Term with respect to each Advance, and (ii) upon demand by the Lender, occurrence of an Event of Default which is continuing.

Monthly Payments and all other amounts due hereunder shall be made to Lender via Lender initiated PAD withdrawal. In the event such payment due date is a bank holiday, payment shall be made on the next business day. The full outstanding principal balance of the Advances together with all accrued and unpaid interest, any Unused Fees, and other costs and fees shall be due and payable to Lender on the Maturity Date.

The Borrower hereby irrevocably authorizes the Lender to make or cause to be made on the books of the Lender, at or following the time of receiving any payment toward the obligations hereunder, an appropriate notation reflecting such transaction and the then aggregate unpaid amount due from Borrower to Lender. The amount so noted, and other regular entries by the Lender on its books with respect to the amount due hereunder and other charges, shall constitute presumptive evidence as to the amount owed by the Borrower with respect to principal of the loan and with respect to interest and other charges, absent manifest error. Each Corporate Guarantor acknowledges and agrees to the foregoing.

5. **DEFAULT INTEREST:** Automatically upon the occurrence of an Event of Default, any payment due hereunder shall, from and after the date of such Event of Default, accrue interest at the per annum rate stated herein, plus a per annum rate equal to the lesser of (a) five percent (5%), or (b) the maximum rate permitted by law ("**Default Interest**"), and such Default Interest shall be due and payable, on demand, at such rate until the entire amount due is paid to Lender, whether or not any action shall have been taken or proceeding commenced to recover the same. Nothing in Section 5 or in any other provision of this Note shall constitute an extension of time of payment of the indebtedness hereunder.
6. **DELINQUENCY CHARGES:** If Borrower fails to make any payment due under this Note within five (5) business days after such payment becomes due, Lender may, at its option, whether immediately or at the time of final payment of the amounts evidenced by this Note, impose a delinquency or "late" charge equal to [REDACTED] ([REDACTED]%) percent of the amount of such past due payment notwithstanding the date

on which such payment is actually paid in full. Borrower agrees that any such delinquency charges shall not be deemed to be additional interest or penalty but shall be deemed to be liquidated damages because of the difficulty in computing the actual amount of damages in advance.

7. **COSTS AND EXPENSES UPON DEFAULT:** Upon the occurrence of an Event of Default which is continuing and is continuing, in addition to principal, interest and delinquency charges, Lender shall be entitled to collect all costs of collection, including, but not limited to, attorney's fees and expenses incurred in connection with the protection or realization of collateral or in connection with any of Lender's collection efforts, whether or not suit on this Note is filed, and all such costs and expenses shall be payable on demand.
8. **APPLICATION OF PAYMENTS:** All payments hereunder shall be applied first to delinquency charges, Default Interest (as set forth in Section 5), costs of collection and enforcement and other similar amounts due, if any, under this Note, then to interest due and payable under this Note, then to any other costs and fees, which are due and payable under this Note, and the remainder, if any, to the outstanding principal amount of each Advance due and payable under this Note. If an Event of Default has occurred which is continuing and is continuing, such payments may be applied to sums due under this Note in any order and combination that Lender may, in its sole and absolute discretion, determine.
9. **PREPAYMENT; ALL FUTURE INTEREST DUE AT THE TIME OF PREPAYMENT:** If Borrower elects to prepay an Advance under this Note prior to the Maturity Date, Borrower shall provide Lender with at least fifteen (15) days prior written notice of such prepayment, and must pay Lender the entire principal balance of the Note then outstanding, together with all accrued and unpaid interest, plus an amount equal to all interest on the outstanding principal amount of such Advance that would have been due and payable through the twenty-fourth (24th) month of the Term with respect to such Advance prepaid (less the amount of any interest actually paid). For exemplary purposes only, if Borrower elects to prepay an Advance prior to the Maturity Date after payment of the amount due in the tenth (10th) month of the Term with respect to such Advance, in addition to the outstanding principal balance and accrued and unpaid interest for such Advance, the Borrower must pay Lender an amount equal to the future interest that would have been due for months 11 through 24 of the Term.
10. **REPRESENTATIONS AND WARRANTIES:** Each Loan Party hereby represents and warrants to the Lender that (a) it is a duly organized, validly existing corporation in good standing under the laws of its jurisdiction of formation, is in good standing and is duly qualified to do business and is in good standing under the laws of each other jurisdiction in which its business is conducted, or properties owned requiring such qualification, (b) the execution, delivery and performance by such Loan Party of this Note and each other Loan Document to which it is a party has been duly authorized by all necessary corporate or other organizational action, and do not (i) contravene the terms of any of the Loan Party's formation and organization documents, (ii) conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under any material order, injunction, writ or decree of any governmental authority or any material arbitral award to which the any Loan Party or its property is subject, or (iii) violate any law, (c) this Note and each other Loan Document constitutes a legal, valid and binding obligation of the Borrower and each other Loan Party, enforceable against the Borrower, and each other Loan Party in accordance with its terms, (d) this Note and each other Loan Document has been duly executed and delivered by the Borrower and each other Loan Party, and (e) Borrower shall at all times be in compliance with the Use of Proceeds with respect to the Advances and for no other purposes.
11. **REPORTING; FURTHER ASSURANCES:** The Borrower shall deliver to Lender, as soon as available, but not later than (a) sixty (60) days after the end of each calendar quarter, commencing with the quarter in which the Funding Date of the Initial Advance occurs, such Borrower's interim financial statements as at the end of such quarter and for the fiscal year to date, and (b) ninety 90 days after the end of each fiscal year, consolidated balance sheet of the Borrower, together with the related statements of income, comprehensive income, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year. Each Loan Party shall provide the Lender with such other information as the Lender may from

time-to-time reasonably request related to a Loan Party's financial condition, the Collateral, or the operation of each Loan Party's business as currently operated. Each Loan Party will execute and deliver any and all further documents, financing statements, PPSA registrations, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, PPSA registrations, and other documents, if applicable per the terms of this Note and any other Loan Document), which may be required under any applicable law, or which the Lender may reasonably request to effectuate the transactions contemplated by this Note and the other Loan Documents or to grant, preserve, protect or perfect the liens created or intended to be created by the Security Documents or the validity or priority of any such lien, or to protect or monitor the Collateral, all at the expense of the Borrower.

12. **COSTS; FEES; EXPENSES:** Borrower shall pay all of Lender's reasonable and documented costs, fees and expenses, including without limitation legal fees for external counsel, filing fees and costs associated with Lender's diligence, appraisal costs, the preparation of this Note, and the Security Documents, all other Loan Documents, and any other documents in connection with or related thereto, and all taxes and fees associated with titling and registration of the Collateral, and of all Lender's costs and fees associated with perfecting its security interest in the Collateral (collectively, the "*Costs*"); provided that, such identified Costs shall not exceed \$50,000.00. Lender's future costs, including without limitation, with respect to any amendments, waivers, partial releases, which may be prepared in the future, costs of collection, enforcement or exercise of remedies, shall be in addition to the foregoing.
13. **WAIVERS: BORROWER IRREVOCABLY WAIVES ITS RIGHTS TO NOTICE AND HEARING TO THE EXTENT PERMITTED BY ANY PROVINCE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH LENDER MAY DESIRE TO USE,** and, further, irrevocably waives presentment for payment, demand, notice of nonpayment, notice of intention to accelerate the maturity of this Note, diligence in collection, commencement of suit against any obligor, notice of protest, and protest of this Note and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, before or after the maturity of this Note, with or without notice to Borrower, and agree that Borrower's liability shall not be in any manner affected by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Lender. Borrower consents to any and all extensions of time, renewals, waivers or modifications that may be granted by Lender with respect to the payment or other provisions of this Note, and to any substitution, exchange or release of any Collateral, or any part thereof, with or without substitution of said Collateral. Any delay on the part of Lender in exercising any right under this Note shall not operate as a waiver of any such right, and any waiver granted or consented to on one occasion shall not operate as a waiver in the event of any subsequent default.
14. **USURY:** Lender has filed notification under applicable law that it may charge interest in excess of the maximum lawful rate. If at any time the rate of interest charged by Lender is determined to be in violation of applicable law (by lapse in Lender's so-called "usury filing," change in law or otherwise) and such laws would ever render collection of any amounts under this Note deemed usurious illegal, then it is Borrower's and Lender's express intention that Borrower, for the duration of any such illegality, shall not be required to pay interest on this Note at a rate in excess of the maximum lawful rate, that the provisions of this Section 14 shall control over all other provisions of this Note which may be in apparent conflict herewith, that such excess amount shall be credited to the principal balance of this Note (or, if this Note has been fully paid, refunded by Lender to Borrower), and the provisions hereof shall be reformed and the amounts thereafter collectible under this Note reduced, without the necessity of the execution of any further documents, so as to comply with the then applicable law, but so as to permit the recovery by Lender of the fullest amount otherwise called for under this Note. Any such crediting or refund shall not cure or waive any default by Borrower under this Note. If at any time following any reduction in the Interest Rate payable by Borrower there remains unpaid any principal amount under this Note and the maximum interest rate allowed by applicable law is increased or eliminated, or Lender is permitted to resume charging interest at a rate in excess of the maximum legal rate, then the interest rate payable under this Note shall be readjusted up to but not to exceed any interest rate provided herein, to the extent not prohibited by applicable law, so that the dollar amount of interest payable hereunder shall be equal to the dollar amount of interest which would have been paid by Borrower without giving effect to the reduction in interest resulting from compliance with applicable usury

laws. Borrower agrees that in determining whether or not any interest payable under this Note exceeds the highest rate allowed by law, any non-principal payment (except payments specifically stated in this Note to be “interest”), including, without limitation, prepayment fees and delinquency charges, shall, to the maximum extent allowed by law, be an expense, fee or premium rather than interest. The term “applicable law”, as used in this Note shall mean the laws of the Province of Ontario and the federal laws of Canada, whichever laws allow the greater rate of interest, as such laws now exist or may be changed or amended or come into effect in the future.

15. **DEFAULT, ACCELERATION AND OTHER REMEDIES:** The occurrence of any of the following events set forth below shall constitute an event of default (an “*Event of Default*”) hereunder:

- (a) Borrower fails to (i) timely pay any principal and/or interest, when due and such failure continues for five (5) days, and/or (ii) timely pay any other fee cost or other amount contemplated under this Note, any Security Document or any other Loan Document and such failure continues after 5 days written notice and/or (iii) perform under or complete any other covenant or other requirement under this Note and such failure continues after 15 days written notice from Lender;
- (b) Failure to promptly grant, and maintain, an enforceable and perfected first position security interest in the Collateral in favor of Lender subject to encumbrances agreed to in the Security Documents;
- (c) (i) Borrower or a Corporate Guarantor becomes insolvent or makes a general assignment for the benefit of creditors or admits in writing its inability to pay its debts generally as they become due; or an order, judgment or decree is entered adjudicating Borrower or a Corporate Guarantor bankrupt or insolvent; or any order for relief with respect to Borrower or a Corporate Guarantor is requested by Borrower or a Corporate Guarantor under the federal bankruptcy code; or Borrower or a Corporate Guarantor petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of Borrower or a Corporate Guarantor, or of any substantial part of the assets of the Borrower or a Corporate Guarantor, or commences any proceeding relating to Borrower or a Corporate Guarantor under any bankruptcy reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction; or (ii) any such petition or application is filed, or any such proceeding is commenced (each, an “*Insolvency Event*”), against Borrower or a Corporate Guarantor and either (A) Borrower or such Corporate Guarantor by any act indicates its approval thereof, consent thereto or acquiescence therein or (B) such petition, application or proceeding is not dismissed within forty-five (45) days of filing thereof,
- (d) Any statement, representation or warranty heretofore, now or hereafter made in connection with this Note, any Security Document or any other Loan Document by Borrower or a Corporate Guarantor which the Lender or any Loan Party determines to have been false in any material respect when made and, to the extent capable of being cured, is not cured within 15 days after the Lender or any Loan Party becomes aware of same, or written notice is received by the Loan Parties from the Lender,
- (e) This Note, any Security Document, or any other Loan Document shall fail to remain in full force or effect, or any action shall be taken to discontinue or to assert the invalidity or unenforceability thereof, or
- (f) Borrower, or a Corporate Guarantor, defaults under any Security Document, any other Loan Document, any related documents, or any other document, instrument or agreement between Borrower or a Corporate Guarantor and Lender, or by Borrower or a Corporate Guarantor in favor of Lender.

Upon the occurrence and during the continuance of an Event of Default, Borrower shall be deemed to be in default under this Note, the Security Documents, all other Loan Documents, any documents related to any of the foregoing, and all other documents, instruments or agreements between Borrower and Lender or by Borrower in favor of Lender, without any further notice or action on the part of Lender required. Upon the occurrence and

during the occurrence of an Event of Default, Lender may, at its option, declare the entire unpaid principal balance of each Advance funded under this Note, other costs and fees due hereunder, unpaid interest, together with any accrued Default Interest pursuant to Section 5, to be immediately due and payable and Lender may proceed to exercise any rights or remedies that it may have under this Note at law, equity or otherwise, including without limitation, foreclosing on any of the Collateral securing this Note; *provided* that, notwithstanding the forgoing, upon the occurrence of an Event of Default under Section 15(c), all obligations under this Note and any other Loan Document shall automatically accelerate without any notice or action on the part of Lender required. Upon the occurrence of an Event of Default which is continuing, Lender's commitment to fund any Advances shall automatically terminate. The rights and remedies expressed herein are cumulative, and may be enforced successively, alternately, or concurrently and are not exclusive of any rights or remedies which holder may or would otherwise have under the provisions of all applicable laws, and under the provisions of all agreements between the Borrower and the Lender. The Borrower and each other Loan Party hereby indemnifies and holds the Lender harmless from and against any and all damages, costs and expenses (including legal fees on a full indemnity basis) arising out of or resulting from the collection of any amounts due by Borrower to the Lender hereunder or any breach of the representations, warranties and covenants given by Borrower, or any other Loan Party, to the Lender, save and except from any damages, costs and expenses caused by the gross negligence or willful misconduct of the Lender.

16. **JOINT AND SEVERAL LIABILITY:** The Borrower and each other Loan Party is accepting joint and several liability for any and all obligations hereunder, under the Security Documents and each other Loan Document (collectively, the "*Obligations*") in consideration of the financial accommodations to be provided by the Lender under this Note, for the mutual benefit, directly and indirectly, of the Borrower, and each other Loan Party and in consideration of the undertakings of the Loan Parties to accept joint and several liability for such Obligations. The Borrower and each other Loan Party, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Loan Parties, with respect to the payment and performance of all of the Obligations, it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of the Borrower and each other Loan Party without preferences or distinction among them. If and to the extent that the Borrower or any other Loan Party shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Loan Parties will make such payment with respect to, or perform, such Obligation until such time as all of the Obligations are paid in full.
17. **SUCCESSORS AND ASSIGNS; ASSIGNMENT:** This Note shall be binding upon Borrower and upon its successors, assigns and representatives, and shall inure to the benefit of Lender and its successors, endorsees, and assigns. The Lender may not assign this Note without the prior written consent of the Borrower, which will not be unreasonably withheld, conditioned or delayed; *provided* that, the foregoing consent shall not be required if an Event of Default exists, or if the Lender is granting a collateral assignment of this Note, and any other Loan Document, in favor of Lender's financing sources. Neither this Note nor any of the rights or obligations under this Note, or any of the other Loan Documents are assignable by Borrower or any other Loan Party without the prior written consent of Lender, which may be withheld at Lender's sole discretion.
18. **COLLECTION; REINSTATEMENT:** Any check, draft, money order or other instrument given in payment of all or any portion hereof may be accepted by Lender and handled by collection in the customary manner, but the same shall not constitute payment hereunder or diminish any rights of Lender except to the extent that actual cash proceeds of such instrument are unconditionally received by Lender and applied to the indebtedness evidenced by this Note in the manner elsewhere herein provided. This Note shall remain in full force and effect until the payment in full in cash of all amounts due hereunder, after which time this Note shall terminate without further action on the part of the parties hereto. To the extent any payment on amounts hereunder is declared to be fraudulent or preferential, set aside or required to be paid to any receiver, trustee in any Insolvency Event, liquidating trustee, agent, other similar person or any other person under any Insolvency Event, receivership, fraudulent conveyance or similar law, or for any reason required to be returned or disgorged by the Lender to any person, then, if such payment is recovered by, or paid over to, such receiver, trustee in bankruptcy, liquidating trustee, agent, other

similar person, or any other person, the amounts due hereunder or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding and this Note shall be reinstated and continue in full force and effect, in each case, as if such payment had not occurred.

19. **SECURITY:** This Note is secured by each Security Document, and all amendments, modifications, supplements, substitutions, additions, renewals, replacements and extensions thereof. Borrower and each Corporate Guarantor ratifies, confirms and reaffirms, all and singular, the terms and conditions of each Security Document to which it is a party, and acknowledges, confirms and agrees that: (a) each Security Document shall remain in full force and effect and shall in no way be limited by the execution this Note, or any other Loan Document, and (b) the obligations under this Note, shall constitute “Obligations” as defined in each Security Document, as applicable.
20. **WARRANT TO PURCHASE COMMON SHARES:** As further good and valuable consideration for the Loan Amount under this Note receipt and sufficiency of which the Borrower acknowledges, and subject to the final acceptance of the Toronto Stock Exchange (the “*Exchange*”), Borrower will issue to Lender, on the date hereof, a warrant to purchase up to 1,750,000 common shares (the “*Warrant Shares*”) at an exercise price of \$0.30 per common share (collectively, the “*Warrants*” and individually, a “*Warrant*”) exercisable over a term of three (3) years; provided that the Warrants will vest on the date of each Advance in an amount equal to fifteen percent (15%) of the principal amount of each Advance. Borrower represents and warrants to Lender that: (a) each Warrant shall be validly created and issued in accordance with applicable securities laws; (b) the Warrant Shares have been reserved for issuance and when issued upon exercise of each Warrant, shall be issued in accordance with applicable securities laws as fully paid and non-assessable shares of the Borrower, and will not be subject to any contractual or other restrictions on transferability or voting, except as required under applicable securities laws and as otherwise set forth in this Note; (c) the distribution of the Warrant and Warrant Shares shall be exempt from the requirement to file a prospectus and the requirement to deliver an offering memorandum under applicable securities laws; (d) Borrower has received conditional approval from the Exchange relating to the listing of the Warrant Shares; (e) Borrower is a “reporting issuer” under the securities laws in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, North West Territories, Yukon and Nunavut, and is not on the list of reporting issuers in default under such securities laws; and (f) the issued and outstanding shares of Borrower are listed and posted for trading on the Exchange and the Warrant Shares, upon exercise of each Warrant, will be listed and posted for trading on the Exchange subject to the final approval of the Exchange.
21. **NOTICE:** Any notice, direction or other communication required or contemplated by any provision of this Note (a “*Notice*”) will be in writing and given by personal delivery, by registered mail, by electronic mail transmission, by overnight courier or by telecopier and addressed:
- (a) in the case of a Notice to the Lender, at:

NFS Leasing Canada Ltd.
[REDACTED]
Telecopier (Fax) No.: [REDACTED]
Email: [REDACTED]

 - (b) in the case of a Notice to the Borrower and other Loan Parties, at:

335-1632 Dickson Avenue
Kelowna, British Columbia
V1Y 7T2
Email: [REDACTED]
- with a copy to, for information purposes only:
- Cassels Brock & Blackwell LLP

Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance Street
Toronto, Ontario M5H 0B4
Email: [REDACTED]

(c) Any Notice:

- (i) delivered before 4:30 p.m. local time on any day that is not (A) a Saturday, or (B) a Sunday or (C) any other day on which commercial banks in the Province of Ontario or the Province of British Columbia are closed (a “**Business Day**”) will be deemed to have been received on the date of delivery and any Notice delivered after 4:30 p.m. local time on a Business Day or delivered on a day other than a Business Day, will be deemed to have been received on the next Business Day;
- (ii) mailed will be deemed to have been received seventy two (72) hours after the date it is postmarked, provided that if the day on which the Notice is deemed to have been received is not a Business Day, then the Notice will be deemed to have been received on the next Business Day;
- (iii) sent by telecopier before 4:30 p.m. local time on a Business Day will be deemed to have been received when the sender receives the answer back confirming receipt by the recipient, provided that any telecopy received after 4:30 p.m. local time on a Business Day or received on a day other than a Business Day will be deemed to have been received on the next Business Day; or
- (iv) transmitted by electronic mail will be deemed to have been received upon the sender’s receipt of acknowledgement from the intended recipient.

22. **AMENDMENTS:** This Note may be changed or amended only by an agreement in writing signed by Borrower and Lender. Any waiver of any provision of this Note will be effective only if it is in writing and signed by the party to be bound thereby, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of the Lender to exercise, and no delay in exercising, any right under this Note will operate as a waiver of such right. No single or partial exercise of any such right will preclude any further or other exercise of such right.

23. **GOVERNING LAW; SUBMISSION TO JURISDICTION:** This Note is given to evidence debt for business or commercial purposes, is being delivered to Lender in the Province of Ontario and shall be governed by and construed under the laws of said province. Borrower and Corporate Guarantors, hereby submit to the exclusive personal jurisdiction in the Province of Ontario for the enforcement of Borrower’s and/or Corporate Guarantors’ obligations hereunder and waive any and all personal rights under the law of any other province, to object to jurisdiction within such province for the purposes of litigation to enforce such obligations of Borrower and/or Corporate Guarantors. Notwithstanding the foregoing, Borrower and each Corporate Guarantor agrees that Lender shall be entitled to seek any action and claims necessary to obtain the benefit of any pre-judgment attachment of assets, or similar proceeding, owned by Borrower or a Corporate Guarantor which are located outside of the Province of Ontario by bringing an action to attach such assets in any other Provincial or Federal court having exclusive jurisdiction over any such assets, and Lender may bring any ancillary proceedings or claims necessary to obtain such pre-judgment attachment of assets. In the event such litigation is commenced, Borrower agrees that service of process may be made, and personal jurisdiction over Borrower obtained, by service of a copy of the summons, complaint and other pleadings required to commence such litigation upon Borrower at the address set forth above.

24. **WAIVER OF JURY TRIAL:** Each of the Lender, Borrower, and Corporate Guarantors agrees that none of them nor any assignee or successor shall (a) seek a jury trial in any lawsuit, proceeding, counterclaim or

any other action based upon, or arising out of, this Note, any related instruments, any Collateral or the dealings or the relationship between them, or (b) seek to consolidate any such action with any other action in which a jury trial cannot be or has not been waived. The provisions of this paragraph have been fully discussed by the Lender, the Borrower and the Corporate Guarantors, and these provisions shall be subject to no exceptions. None of the Lender, Borrower or Corporate Guarantors have agreed with, or represented to the other, that the provisions of this paragraph will not be fully enforced in all instances.

25. INTERPRETATION:

- (a) All paragraph and subparagraph captions are for convenience of reference only and shall not affect the construction of any provision herein.
- (b) If any provision of this Note is determined to be invalid, illegal or unenforceable by any court of competent jurisdiction, that provision will be severed from this Note, and the remaining provisions will remain in full force and effect.
- (c) Borrower, each other Loan Party, and the Lender intend that the relationship between them created under this Note will be solely that of creditor and debtor.
- (d) Borrower and each other Loan Party agrees that upon the request of the Lender, at any time and at its expense, it will perform all acts and execute all documents, including financing statements and schedules, as may be necessary or desirable to effect the purpose of this Note or to better evidence the transactions contemplated by this Note. Without limiting the foregoing, the Borrower and each other Loan Party undertake to provide the Lender with an acknowledgement of its indebtedness hereunder in writing forthwith on the request of the Lender from time to time.
- (e) The rights and remedies of the Lender under this Note are cumulative and are in addition to, and not in substitution for, any rights or remedies provided by law or by equity, and any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Note does not waive, alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be entitled for such default or breach.
- (f) Any waiver of any provision of this Note will be effective only if it is in writing and signed by the party to be bound thereby, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of the Lender to exercise, and no delay in exercising, any right under this Note will operate as a waiver of such right. No single or partial exercise of any such right will preclude any further or other exercise of such right.
- (g) Words in the singular include the plural and vice versa, words in one gender include all genders, and the words “including”, “include” and “includes” mean “including (or include or includes) without limitation”.

26. LIMITATION PERIOD: In accordance with section 22 of the Limitations Act, 2002, the limitation period otherwise applicable to this Note pursuant to section 4 of that legislation is extended to ten years.

27. NO SETOFF: Borrower’s obligation to pay any and all amounts due or payable under this Note is absolute and unconditional under any and all circumstances and shall not be affected by any circumstances of any character, including, without limitation: (a) any setoff, claim, counterclaim, defense or reduction which Borrower may have at any time against Lender or any other party for any reason; or (b) any defect in the condition, design or operation of, any lack of fitness for use of, any damage to or loss of, or any lack of maintenance or service for any of the Collateral.

[Remainder of Page Intentionally Left Blank – Signature Pages to Follow]

IN WITNESS WHEREOF, the undersigned has caused this Note to be duly executed and delivered by an authorized officer as a document under seal as of the date first written above.

BORROWER:

AVANT BRANDS INC.

By: "Norton Singhavon"
Norton Singhavon, Chief Executive Officer

ACKNOWLEDGED AND ACCEPTED BY:

CORPORATE GUARANTORS:

THE FLOWR GROUP (OKANAGAN) INC.

By: "David Lynn"
Name: David Lynn
Title: Director

3PL VENTURES INC.

By: "David Lynn"
Name: David Lynn
Title: Director

GREENTEC HOLDINGS LTD.

By: "David Lynn"
Name: David Lynn
Title: Director