



December 21, 2022

Cox Taylor
Barristers/ Solicitors/ Notaries
Burns House
3rd Floor
26 Bastion Square3
Victoria BC V8W 1H9

ATTENTION : Matthew Wehrung
wehrung@coxtaylor.ca

Dear Mr. Wehrung:

Re: Victoria Cannabis Buyers Club – Without Prejudice

This follows my prior correspondence on this matter.

As I noted then, the VCBC does not agree that the landlord has any ground to terminate the lease nor any basis upon which to claim immediate possession and expects that your client will provide the VCBC with quiet enjoyment of the premises and non-disturbance as required by sections 4.2.1 and 27.4.

That said, the VCBC does not desire to be in an adversarial relationship with its landlord and is currently actively seeking alternative locations. One such prospect is quite promising and the VCBC expects to be able to enter into a lease agreement with a starting date of April 1, 2023. Accordingly, the VCBC expects to be able to vacate the existing location on or about March 31, 2023.

That said, I note that contrary to the allegations in your letter and the CSU letter attached thereto, the VCBC is not in breach of Cannabis Control and Licensing Act. The VCBC is not a non-medical retailer. The CCLA does not apply to medical cannabis and VCBC only distributes medical cannabis.

Further, the VCBC is not in breach of the lease. This is both for the above reason (no CCLA violation) and because the lease section 4.1.3 requires a “finding” which has not occurred. At most the CSU has made allegations of breach. The VCBC has responded and the matter is now pending a determination and finding. The VCBC expects to be fully exonerated and/or to have a court determine that the CCLA and/or Cannabis Act, as applied to medical cannabis patients and providers such as the



VCBC, violates the Charter of Rights and Freedoms. The VCBC previously supported arguments of Charter breach by virtue of the inadequacies related to the medical cannabis system and obtained a unanimous decision from the Supreme Court of Canada in *R v. Smith*, 2015 SCC 34.

Finally, the VCBC has defenses to any eviction action pursuant to the Law and Equity Act [RSBC 1996] Chapter 23.

In any event, while fully prepared to defend any attempt to evict it, the VCBC would prefer an amicable ending to its long-term occupancy of the premises. It has a high degree of confidence that it will be able to vacate the premises by March 31, 2023.

Should you wish to discuss the foregoing, I am available sporadically through the holiday season and will be checking email regularly.

Yours truly,

A handwritten signature in black ink, appearing to read 'Kirk Tousaw', with a long horizontal flourish extending to the right.

Kirk Tousaw
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