

2025 01G 1510
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the "**CCAA**"); and

AND IN THE MATTER OF an application by Nemori Farms Ltd. (the "**Applicant**") for relief under s. 11 of the CCAA

NOTICE OF MOTION

1. The Applicant in this proceeding is applying to a judge for an amended and restated Initial Order ("**ARIO**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), to, *inter alia*:
 - (a) abridge the time for service of the motion and the materials filed in support thereof, and dispensing with further service thereof;
 - (b) extend the stay of proceedings granted under the Initial Order (the "**Stay Period**") for a further six week period, up to and including 25 April 2025;
 - (c) increase the administration charge ("**Administration Charge**") granted under the Initial Order to reflect an amount up to \$250,000.00;
 - (d) approve a debtor-in-possession ("**DIP**") loan up to \$600,000.00 on the terms outlined in the DIP Term Sheet attached as Schedule "A" to the Charging Order (the "**DIP Facility**"); and
 - (e) confirm the appointment of Grant Thornton Limited ("**GTL**" or the "**Monitor**") as Monitor in these proceedings (the "**CCAA Proceedings**").
2. Since the Initial Order, the Applicant has coordinated with the Monitor and consulted with creditors and other stakeholders to develop a plan to stabilize their operations and proceed in a manner which will ensure maximum results under the CCAA.
3. The Applicant submits that this CCAA Proceeding remains the best solution available

to stabilize its operational and financial situation and maximize value for stakeholders. The Applicant submits that it has met the requirements of appropriateness, good faith, and due diligence. The Monitor supports the Applicant's position and requested ARIO.

4. Greater detail as to the Applicant's activities since the Initial Order was granted and its future plans has been provided in the Memorandum of Fact and Law submitted in support of the ARIO and is contained in the Monitor's First Report.
5. The Applicant further submits that the DIP Facility as itemized in the DIP Term Sheet will facilitate the Applicant's successful emergence from this CCAA. The extension of the Stay Period and approval of the DIP, along with the other relief requested within the proposed ARIO, is supported by the Monitor.
6. The Applicant therefore seeks approval of the ARIO, including charging provisions, pursuant to the CCAA substantially in the draft form presented.

Signed March ⁴¹13, 2025



**ADAM BAKER/
MEGAN TAYLOR**
O'KEEFE & SULLIVAN
Counsel for the Company
80 Elizabeth Avenue, Suite 202
St. John's, NL, A1A 1W7
dokeefe@okeefesullivan.com

NEMORI FARMS LTD

**SCHEDULE "A"
MASTER SERVICE
LIST**

O'KEEFE & SULLIVAN LAWYERS 80 Elizabeth Ave Suite 202 St. John's, N.L., A1A 1W7 Megan Taylor mtaylor@okeefesullivan.com Adam G. Baker agbaker@okeefesullivan.com Counsel for the Applicants	Reconstruct LLP 80 Richmond Street West, Suite 1700 Toronto ON M5H 2A Sharon Kour skour@reconllp.com Counsel for the Monitor GRANT THORNTON LTD Nova Centre, North Tower Suite 1000 -1675 Grafton Street, Halifax, NS B3J 0E9 Phil Clarke Phil.Clarke@ca.gt.com Tel: 1 902 420 7191 Liam Murphy Liam.Murphy@ca.gt.com Ben Chisholm Ben.Chisholm@doane.gt.ca Faith Capone Faith.Capone@ca.gt.com The Proposed Monitor
Royal Bank of Canada Cox & Palmer 235 Water Street, Suite 1100, St. John's, NL A1C 1B6 Counsel for RBC Mark Russell mrussell@coxandpalmer.com Griffith Roberts	CANADA REVENUE AGENCY Shawinigan – Sud National Verification Collections Centre 4695 Shawinigan- Sud Boulevard Shawinigan QC G9P 5H9 Maeve Baird Maeve.Baird@justice.gc.ca Deanna Frappier KC Deanna.Frappier@justice.gc.ca

groberts@coxandpalmer.com	
Department of Fisheries, Forest, & Agriculture 192 Wheeler's Road P.O. Box 2006 Corner Brook, NL A2H 0J1 Melanie Butler MelanieButler@gov.nl.ca	EY 5 Springdale St Suite 800, St. John's, NL A1E 2R1 Steve McLaughlin steven.j.mclaughlin@parthenon.ey.com
Bennington Financial Corp. 100-1465 North Service Rd E, Oakville, ON L6H 1A7 customerservice@benningtonfinancial.ca	Headline Holsteins Limited 191 Goose Arm Road Deer Lake, NL A8A 3J3 headline.holsteins@outlook.com
Meridian Onecap Credit Corp. 204-3185 Willingdon Green Burnaby, BC V5G 4P3 Joanna.Alford@meridianonecap.ca	Vault Credit Corporation 41 Scarsdale Corporation Toronto ON M3B 2R2 businessloans@vaultcredit.ca
Kubota Canada Ltd. 1155 Kubota Drive Pickering ON L1X 0H4 kcl_g.finance@kubota.com	De Lage Landen Financial Services Canada Inc. 5046 Mainway, Unit 1 Burlington ON L7L 5Z1 corporateca@dllgroup.com
Town of Deer Lake 34 Reids Ln, Deer Lake, NL A8A 2A2 info@deerlake.ca	Workplace NL PO Box 9000 St. John's, NL A1A 3B8 Jennifer Langdon Jennifer.langdon@workplacenl.ca

Greenbox Capital 1200 Bay St. Toronto, ON M5R 2A5 info@greenboxcapital.com	

Email List

"Megan Taylor" <mtaylor@okeefesullivan.com>; "Adam Baker" <agbaker@okeefesullivan.com>; "Clarke, Phil" <Phil.Clarke@doane.gt.ca>; "Murphy, Liam" <Liam.Murphy@doane.gt.ca>; "groberts@coxandpalmer.com" <groberts@coxandpalmer.com>; "Russell, Mark (St. John's)" <MRussell@coxandpalmer.com>; "Baird, Maeve" <Maeve.Baird@justice.gc.ca>; "deanna.frappier@justice.gc.ca" <deanna.frappier@justice.gc.ca>; "Butler, Melanie" <MelanieButler@gov.nl.ca>; "Steve McLaughlin" <Steven.J.McLaughlin@parthenon.ey.com>; "Bennington Customer Service" <customerservice@benningtonfinancial.ca>; "Alford, Joanna" <Joanna.Alford@meridianonecap.ca>; "Collections (DGSNL)" <Collections@gov.nl.ca>; "Langdon, Jennifer" <Jennifer.Langdon@workplacenl.ca>; "info@greenboxcapital.com" <info@greenboxcapital.com>; "headline.holsteins@outlook.com" <headline.holsteins@outlook.com>; "businessloans@vaultcredit.ca" <businessloans@vaultcredit.ca>; "corporateca@dllgroup.com" <corporateca@dllgroup.com>; "office@truroagromart.ca" <office@truroagromart.ca>; "info@deerlake.ca" <info@deerlake.ca>; "kcl_g.finance@kubota.com" <kcl_g.finance@kubota.com> "Sharon Kour skour@reconllp.com";
 "Greenbox Capital" <info@greenboxcapital.com>

SCHEDULE B

2025 01G 1510
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Companies*
Creditors Arrangement Act R.S.C., 1985 c.
C- 36 as Amended (the "**CCAA**")

AND IN THE MATTER OF an application by
Nemori Farms Ltd. for relief under s. 11 of
the CCAA

AMENDED AND RESTATED INITIAL ORDER

Before the Honourable Justice A. MacDonald:

WHEREUPON the Applicants have a motion for an extension to the current stay of proceedings under the CCAA up to and including 05 September 2025;

AND UPON reading the Notice of Motion and Memorandum of Fact and Law filed on behalf of the Applicants, and on hearing the submissions of counsel for the Applicant and such other counsel as appeared, with all parties being duly served and on reading the Pre-Filing Report and First Report of the Proposed Monitor and their consent act as the Monitor, the following is ordered and declared:

SERVICE

THIS COURT ORDERS that the time for service of the Notice of Application and the materials filed, as set out in the affidavit of service, is hereby deemed adequate notice so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

1. **THIS COURT ORDERS AND DECLARES** that the Companies are each a company to which the CCAA applies.

PLAN OF ARRANGEMENT

2. **THIS COURT ORDERS** that the Companies shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Companies shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Honourable Court, the Companies shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Companies are authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of their Business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Companies, shall be entitled to continue to utilize their cash management system currently in place, or replace it with another substantially similar cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Companies of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Companies, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that from and after the date of this Order, the Companies shall each maintain separate books and records and shall account separately in respect of receipts and disbursements. The Companies shall not commingle funds and revenues received or

receivable by the Companies nor incur or pay any expenses or costs payable directly by the other Company or for the benefit of the other Company. The Applicants shall continue to maintain separate accounts for each corporate entity and shall not commingle funds except with the consent of the Monitor or leave of this Court.

6. **THIS COURT ORDERS** that the Companies shall be entitled to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Companies in respect of these proceedings, at their standard rates and charges;
- (c) with the consent of the DIP Lender (as defined in the DIP Term Sheet attached as Schedule "A" to the Charging Order issued by this Court on even date), amounts owing for goods and services supplied to the Companies, if in the opinion of the Monitor, the supplier or vendor of such goods or services is necessary for the operation and preservation of the Business or Property. The Monitor shall report to the Court as to any payments made under this subparagraph.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein the Companies shall be entitled but not required to pay all reasonable expenses incurred by the Companies in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business; and
- (b) payment for goods or services supplied to the Companies following the date of this Order.

8. **THIS COURT ORDERS** that the Companies shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, and (ii) Canada Pension Plan;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Companies in connection with the sale of goods and services by the Companies, but only where such Sales Taxes are accrued or collected after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Companies.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Companies shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Companies and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein the Companies are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Companies to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or

in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Companies shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of non-material assets not exceeding \$100,000 in one transaction in the aggregate;
- (b) terminate the employment of such of its employees, or temporarily lay off such of its employees, as it deems appropriate; and
- (c) pursue all avenues of refinancing, restructuring, sale and reorganization of the Business or Property, in whole or part, subject to obtaining prior approval of this, Court before effecting any material refinancing, restructuring, sale or reorganization, as determined by the Monitor,

all of the foregoing to permit the Companies to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. **THIS COURT ORDERS** that the Companies shall provide each of the relevant landlords with notice of the Companies intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Companies entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Companies, or by further Order of this Court upon application by the Companies on at least two (2) days notice to such landlord and any such secured creditors. If the Companies disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period

provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Companies' claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Companies and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Companies in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE COMPANIES OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including 05 September 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Companies or the Monitor, or affecting the Business or the Property except with the written consent of the Monitor and the Companies, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Companies or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Companies or the Monitor, or affecting the Business or the Property are hereby stayed and suspended except with the written consent of the Monitor and the Companies, or leave of this Court, provided that nothing in this Order shall (i) empower the Companies to carry on any business which the Companies is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, 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 Companies, except with the written consent of the Monitor and the Companies, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Companies 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 Business or the Companies, are hereby 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 Companies, and the Companies shall be entitled to the continued use of their current premises, 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 Companies in accordance with normal payment practices of the Companies or such other practices as may be agreed upon by the supplier or service provider and the Companies or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Companies. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any

of the former, current or future directors or officers of the Companies with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Companies whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Companies, if one is filed, is sanctioned by this Court or is refused by the creditors of the Companies or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Companies shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Companies after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

APPOINTMENT OF MONITOR

21. **THIS COURT ORDERS** that GT is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Companies with the powers and obligations set out in the CCAA or set forth herein and that the Companies and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Companies pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

22. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Companies' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Companies, to the extent required by the Companies, in the dissemination, (i) to the DIP Lender and its counsel, and (ii) to registered secured

creditors, Canada Revenue Agency ("**CRA**"), and their counsel if the Monitor determines it necessary or desirable, on a timely basis, of financial and other information as agreed to between the Companies and the DIP Lender, or information which the Monitor may determine is necessary or desirable to share with registered secured creditors or CRA, including reporting on a basis to be agreed with the DIP Lender, or between the Monitor and any registered secured creditor or CRA, as the case may be;

- (d) advise the Companies in the preparation of the Companies' cash flow statements and reporting required by the DIP Lender;
- (e) advise the Companies in their development of a plan or compromise or arrangement and any amendments thereto;
- (f) assist the Companies, to the extent required by the Companies, with the holding and administering of creditors' or shareholders' meetings for voting on a plan of compromise or arrangement;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Companies, to the extent that is necessary to adequately assess the Companies business, cashflow, and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage with Companies' legal counsel or retain independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) assist the Companies to design and conduct any sales process as may be approved by the Court; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

23. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

24. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor 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 respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor'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 it is actually in possession.

25. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Companies with information provided by the Companies in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Companies is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Companies may agree.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or willful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Companies shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, or subsequent to, the date of this Order, by the Companies as part of the costs of these proceedings. The Companies are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Companies on a weekly basis and, in addition, the Companies are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Companies reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Supreme Court of Newfoundland and Labrador in Bankruptcy and Insolvency.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Companies' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000 as security for their professional fees and disbursements incurred at their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 30-35 herein.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

30. **THIS COURT ORDERS** that the priorities of the Administration Charge the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (\$250,000)

Second - DIP Lender's Charge (\$600,000)

31. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP Lender's Charge (collectively, the "**Charges**") shall not be required, and that Charges shall be valid and enforceable for all purposes, including as against any right, title or

interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

32. **THIS COURT ORDERS** that the Charges shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

33. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Companies shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with any of the Charges, unless the Companies also obtain the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "**Charges**"), or further Order of this Court.

34. **THIS COURT ORDERS** that the Charges, the Commitment Letter and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- (a) The creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall not be deemed to constitute a breach by the Companies of any Agreement to which they are a party;
- (b) None of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Companies entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

- (c) The payments made by the Companies pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

35. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a charge in the Companies' interest in such real property leases.

SERVICE AND NOTICE

36. **THIS COURT ORDERS** that the Monitor shall (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner by electronic means, a notice to every known creditor who has a claim against the Companies of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

37. **THIS COURT ORDERS** that the Companies and Monitor are at liberty to serve or distribute 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 facsimile transmission to the Companies creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile 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.

GENERAL

38. **THIS COURT ORDERS** that the Monitor and the Companies may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

39. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Company, the Business or the Property.

40. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Companies, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Companies and the Monitor and their respective agents in carrying out the terms of this Order.

41. **THIS COURT ORDERS** that each of the Company and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor 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.

42. **THIS COURT ORDERS** that any interested party (including the Companies and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

43. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12.01 a.m., Newfoundland Time, on the date of this Order.

2025_01G 1510

ONTARIO

SUPERIOR**IN THE SUPREME** COURT OF **JUSTICE**
COMMERCIAL LIST—**NEWFOUNDLAND AND LABRADOR**

THE HONOURABLE _____	)	WEEKDAY, THE #
	)	
JUSTICE _____	)	DAY OF MONTH, 20YR

IN BANKRUPTCY AND INSOLVENCY

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF [APPLICANT'S NAME] (the "Applicant")

~~INITIAL ORDER~~

~~THIS APPLICATION, made by the~~
~~Applicant, pursuant to the Companies'~~
~~Creditors Arrangement Act, R.S.C., 1985, c.~~
~~C-36, 36 as amended~~Amended (the

~~"CCAA")~~ "CCAA" ~~was heard this day at 330~~
~~University Avenue, Toronto, Ontario.~~

AND IN THE MATTER OF an application by
Nemori Farms Ltd. for relief under s. 11 of
the CCAA

ON READING the affidavit of [NAME] sworn [DATE] and the Exhibits thereto, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME]¹ although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [MONITOR'S NAME] to act as the Monitor,—

¹ Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).

AMENDED AND RESTATED INITIAL ORDER

Before the Honourable Justice A. MacDonald:

WHEREUPON the Applicants have a motion for an extension to the current stay of proceedings under the CCAA up to an including 05 September 2025;

AND UPON reading the Notice of Motion and Memorandum of Fact and Law filed on behalf of the Applicants, and on hearing the submissions of counsel for the Applicant and such other counsel as appeared, with all parties being duly served and on reading the Pre-Filing Report and First Report of the Proposed Monitor and their consent act as the Monitor, the following is ordered and declared:

SERVICE

~~1.~~ **THIS COURT ORDERS** that the time for service of the Notice of Application and the ~~Application Record~~materials filed, as set out in the affidavit of service, is hereby ~~abridged—and validated~~²deemed adequate notice so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

~~1.~~ **2. THIS COURT ORDERS AND DECLARES** that the ~~Applicant is~~Companies are each a company to which the CCAA applies.

PLAN OF ARRANGEMENT

~~2.~~ **3. THIS COURT ORDERS** that the ~~Applicant~~Companies shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the ~~"Plan"~~"Plan").

² ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

POSSESSION OF PROPERTY AND OPERATIONS

3. ~~4.~~ **THIS COURT ORDERS** that the ~~Applicant~~Companies shall remain in possession and control of ~~its~~their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Honourable Court, the ~~Applicant~~Companies shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the "Business") and Property. The ~~Applicant is~~Companies are authorized and empowered to continue to retain and employ the employees, consultants, independent contractors, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of ~~business~~their Business or for the carrying out of the terms of this Order.

4. ~~5.~~ **THIS COURT ORDERS** that the ~~Applicant~~Companies, shall be entitled to continue to utilize ~~the central~~their cash management system³ currently in place ~~as described in the Affidavit of [NAME] sworn [DATE]~~, or replace it with another substantially similar ~~central~~ cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Companies of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Companies, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the Plan~~any plan of compromise or arrangement with regard to any

³ ~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

[Different first page setting changed from on in original to off in modified.]

claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.}]

5. **THIS COURT ORDERS** that from and after the date of this Order, the Companies shall each maintain separate books and records and shall account separately in respect of receipts and disbursements. The Companies shall not commingle funds and revenues received or receivable by the Companies nor incur or pay any expenses or costs payable directly by the other Company or for the benefit of the other Company. The Applicants shall continue to maintain separate accounts for each corporate entity and shall not commingle funds except with the consent of the Monitor or leave of this Court.

6. **THIS COURT ORDERS** that the ~~Applicant~~Companies shall be entitled ~~but not required~~ to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable ~~on or after the date of this Order~~, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; ~~and~~
- (b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Companies in respect of these proceedings, at their standard rates and charges;
- (c) with the consent of the DIP Lender (as defined in the DIP Term Sheet attached as Schedule "A" to the Charging Order issued by this Court on even date), amounts owing for goods and services supplied to the Companies, if in the opinion of the Monitor, the supplier or vendor of such goods or services is necessary for the operation and preservation of the Business or Property. The Monitor shall report to the Court as to any payments made under this subparagraph.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the ~~Applicant~~Companies shall be entitled but not required to pay all reasonable expenses incurred

[Different first page setting changed from on in original to off in modified.]

by the ~~Applicant~~Companies in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business ~~including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;~~ and
- (b) payment for goods or services ~~actually~~ supplied to the ~~Applicant~~Companies following the date of this Order.

8. **THIS COURT ORDERS** that the ~~Applicant~~Companies shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, and (ii) Canada Pension Plan, ~~(iii) Quebec Pension Plan, and (iv) income taxes;~~
- (b) all goods and services or other applicable sales taxes (collectively, ~~"Sales Taxes"~~) required to be remitted by the ~~Applicant~~Companies in connection with the sale of goods and services by the ~~Applicant~~Companies, but only where such Sales Taxes are accrued or collected after the date of this Order, ~~or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order,~~ and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Companies.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed ~~{or resiliated}~~⁴ in accordance with the CCAA, the ~~Applicant~~Companies shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the ~~Applicant~~Companies and the landlord from time to time ("Rent"⁵), for the period commencing from and including the date of this Order, ~~twice-monthly~~ in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, ~~the Applicant~~is Companies are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Companies to any of ~~its~~their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the ~~Applicant~~Companies shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of ~~its~~their business or operations, ~~{and to dispose of redundant or non-material assets not exceeding \$•100,000 in any one transaction or \$• in the aggregate}~~⁵;

⁴ The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.

⁵ Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.

- (b) ~~terminate~~ the employment of such of its employees, or temporarily lay off such of its employees, as it deems appropriate; and
- (c) pursue all avenues of refinancing ~~of its~~, restructuring, sale and reorganization of the Business or Property, in whole or part, subject to obtaining prior approval of this Court ~~being obtained~~ before effecting any material refinancing, restructuring, sale or reorganization, as determined by the Monitor.

all of the foregoing to permit the ApplicantCompanies to proceed with an orderly restructuring of the Business (the "Restructuring").

12. **THIS COURT ORDERS** that the ApplicantCompanies shall provide each of the relevant landlords with notice of the Applicant'sCompanies intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant'sCompanies entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the ApplicantCompanies, or by further Order of this Court upon application by the ApplicantCompanies on at least two (2) days notice to such landlord and any such secured creditors. If the ApplicantCompanies disclaims ~~for resiliates~~ the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~for resiliation~~ of the lease shall be without prejudice to the Applicant'sCompanies claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer ~~for resiliation~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~for resiliation~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the ApplicantCompanies and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer ~~for resiliation~~, the relevant landlord shall be entitled to take possession of any such leased

premises without waiver of or prejudice to any claims or rights such landlord may have against the ~~Applicant~~Companies in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~COMPANIES OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including ~~[DATE — MAX. 30 DAYS]~~05 September 2025, or such later date as this Court may order (the ~~"Stay Period"~~), no proceeding or enforcement process in any court or tribunal (each, a ~~"Proceeding"~~) shall be commenced or continued against or in respect of the ~~Applicant~~Companies or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Monitor and the ~~Monitor~~Companies, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the ~~Applicant~~Companies or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being ~~"Persons"~~ and each being a ~~"Person"~~) against or in respect of the ~~Applicant~~Companies or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Monitor and the ~~Monitor~~Companies, or leave of this Court, provided that nothing in this Order shall (i) empower the ~~Applicant~~Companies to carry on any business which the ~~Applicant~~Companies is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, 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 ~~Applicant~~Companies, except

with the written consent of the ~~Applicant~~Monitor and the ~~Monitor~~Companies, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~Companies 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 Business or the ~~Applicant~~Companies, are hereby 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 ~~Applicant~~Companies, and ~~that the Applicant~~ Companies shall be entitled to the continued use of ~~its~~their current premises, 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 ~~Applicant~~Companies in accordance with normal payment practices of the ~~Applicant~~Companies or such other practices as may be agreed upon by the supplier or service provider and ~~each of the Applicant and the Monitor,~~the Companies or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Companies. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

⁶This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the ~~Applicant~~Companies with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the ~~Applicant~~Companies whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~Companies, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~Companies or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the ~~Applicant~~Companies shall indemnify ~~its~~their directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Companies after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the ~~director's or officer's~~director's or officer's gross negligence or wilful misconduct.

~~21. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$●, as security for the indemnity provided in paragraph [20] of this Order. The Directors' Charge shall have the priority set out in paragraphs [38] and [40] herein.~~

~~22. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance-~~

⁷ The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.

⁸ Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.

~~policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph [20] of this Order.~~

APPOINTMENT OF MONITOR

21. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~GT is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~Companies with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant and its~~Companies and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~Companies pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the ~~Monitor's~~Monitor's functions.

22. ~~24.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the ~~Applicant's~~Companies' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the ~~Applicant~~Companies, to the extent required by the ~~Applicant~~Companies, in ~~its~~the dissemination, (i) to the DIP Lender and its counsel on a [TIME INTERVAL], and (ii) to registered secured creditors, Canada Revenue Agency ("CRA"), and their counsel if the Monitor determines it necessary or desirable, on a timely basis, of financial and other information as agreed to between the ~~Applicant~~Companies and the DIP Lender ~~which may be used in these proceedings, or information which the Monitor may determine is~~

necessary or desirable to share with registered secured creditors or CRA, including reporting on a basis to be agreed with the DIP Lender, or between the Monitor and any registered secured creditor or CRA, as the case may be;

- (d) advise the ~~Applicant in its~~Companies in the preparation of the ~~Applicant's~~Companies' cash flow statements and reporting required by the DIP Lender, ~~which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~
- (e) advise the ~~Applicant in its~~Companies in their development of ~~the Plan~~a plan or compromise or arrangement and any amendments ~~to the Plan~~thereto;
- (f) assist the ~~Applicant~~Companies, to the extent required by the ~~Applicant~~Companies, with the holding and administering of creditors' or shareholders' meetings for voting on ~~the Plan~~a plan of compromise or arrangement;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Companies, to the extent that is necessary to adequately assess the ~~Applicant's~~Companies business, cashflow, and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage with Companies' legal counsel or retain independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; ~~and~~
- (i) assist the Companies to design and conduct any sales process as may be approved by the Court; and
- (i) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

[Different first page setting changed from on in original to off in modified.]

23. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

24. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor 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 respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the ~~Canadian Environmental Protection Act, the Ontario Environmental Protection Act, the Ontario Water Resources Act, or the Ontario Occupational Health and Safety Act~~ and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the ~~Monitor's~~Monitor'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 it is actually in possession.

25. ~~27.~~ **THIS COURT ORDERS** ~~that~~ that the Monitor shall provide any creditor of the ~~Applicant and the DIP Lender~~Companies with information provided by the ~~Applicant~~Companies in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the ~~Applicant~~Companies is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~Companies may agree.

26. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or

[Different first page setting changed from on in original to off in modified.]

[Different first page setting changed from on in original to off in modified.]

obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or ~~wilful~~willful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the ~~Applicant~~Companies shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, ~~by the Applicant~~whether incurred prior to, or subsequent to, the date of this Order, by the Companies as part of the costs of these proceedings. The ~~Applicant is~~Companies are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the ~~Applicant on a [TIME INTERVAL]~~Companies on a weekly basis and, in addition, the ~~Applicant is~~Companies are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the ~~Applicant,~~Companies reasonable retainers ~~in the amount[s] of \$●-[, respectively,]~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. ~~30.~~ **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose, the accounts of the Monitor and its legal counsel are hereby referred to a judge of the ~~Commercial List of the Ontario Superior~~Supreme Court of ~~Justice~~Newfoundland and Labrador in Bankruptcy and Insolvency.

29. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any,~~ and the ~~Applicant's~~Companies' counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$●, 250,000 as security for their professional fees and disbursements incurred at ~~the~~their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~[38] and [40] hereof~~30-35 herein.

DIP FINANCING

~~32. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to~~

[Different first page setting changed from on in original to off in modified.]

[Different first page setting changed from on in original to off in modified.]

~~finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$●- unless permitted by further Order of this Court.~~

~~33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

~~34. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.~~

~~35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs [38] and [40] hereof.~~

~~36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:~~

~~(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;~~

~~(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ● days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to~~

[Different first page setting changed from on in original to off in modified.]

~~the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and—~~

~~(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.—~~

~~37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the Bankruptcy and Insolvency Act of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.~~

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

30. ~~38.~~ **THIS COURT ORDERS** that the priorities of the ~~Directors' Charge, the~~ Administration Charge ~~and~~ the DIP Lender's Charge, as among them, shall be as follows⁹:

First – Administration Charge ~~(to the maximum amount of~~
\$●250,000);

Second - DIP Lender's Charge; ~~and~~ (\$600,000)

~~Third—Directors' Charge (to the maximum amount of \$●).~~

31. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the~~ Administration Charge or the DIP Lender's Charge (collectively, the "Charges")

⁹ The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.

[Different first page setting changed from on in original to off in modified.]

shall not be required, and that ~~the~~ Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

32. ~~40.~~ **THIS COURT ORDERS** that ~~each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~ the Charges shall constitute a charge on the Property and ~~such Charges~~ shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

33. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant Companies shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, ~~any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ Charges, unless the Applicant Companies also ~~obtains~~ obtain the prior written consent of the Monitor, ~~the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge~~ and of the applicable chargee(s) entitled to the benefit of the Charges (collectively, the "Charges"), or further Order of this Court.

34. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge~~ Charges, the Commitment Letter, and the Definitive Documents ~~and the DIP Lender's Charge~~ shall not be rendered invalid or unenforceable and the rights and remedies of the ~~chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder~~ shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant Companies, and notwithstanding any provision to the contrary in any Agreement:

[Different first page setting changed from on in original to off in modified.]

[Different first page setting changed from on in original to off in modified.]

- (a) ~~neither the~~The creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall ~~create or not~~ be deemed to constitute a breach by the ~~Applicant~~Companies of any Agreement to which ~~it is~~they are a party;
- (b) ~~none~~None of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant~~Companies entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) ~~the~~The payments made by the ~~Applicant~~Companies pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

35. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a ~~Charge~~charge in the ~~Applicant's~~Companies' interest in such real property leases.

SERVICE AND NOTICE

36. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall ~~(i) without delay, publish in [newspapers specified by the Court] a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order,~~ (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner by electronic means, a notice to every known creditor who has a claim against the ~~Applicant~~Companies of more than \$~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

~~45. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the~~

[Different first page setting changed from on in original to off in modified.]

[Different first page setting changed from on in original to off in modified.]

~~“Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<~~

37. ~~46.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Companies and Monitor are at liberty to serve or distribute 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 facsimile transmission to the ~~Applicant's~~Companies creditors or other interested parties at their respective addresses as last shown on the records of the ~~Applicant~~Applicants and that any such service or distribution by courier, personal delivery or facsimile 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.

GENERAL

38. ~~47.~~ **THIS COURT ORDERS** that the ~~Applicant or the~~ Monitor and the Companies may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

39. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from subsequently acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the ~~Applicant~~Company, the Business or the Property.

40. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the ~~Applicant~~Companies, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative

[Different first page setting changed from on in original to off in modified.]

[Different first page setting changed from on in original to off in modified.]

bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Applicant~~Companies and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~Companies and the Monitor and their respective agents in carrying out the terms of this Order.

41. ~~50.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~Company and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor 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.

42. ~~51.~~ **THIS COURT ORDERS** that any interested party (including the ~~Applicant~~Companies and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

43. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of ~~12:01 a.m. Eastern Standard/Daylight~~12.01 a.m., Newfoundland Time, on the date of this Order.

[Different first page setting changed from on in original to off in modified.]

Summary report: Litera Compare for Word 11.5.0.74 Document comparison done on 2025-03-13 11:31:04 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: intital-order-CCAA-EN.doc	
Modified filename: Nemori - ARIO [FINAL] 13 Mar 25.docx	
Changes:	
Add	260
Delete	348
Move From	0
Move To	0
Table Insert	0
Table Delete	1
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	609