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

AND IN THE MATTER OF an application by Nemori Farms Ltd.

NOTICE OF APPLICATION
(Pursuant to the Companies' Creditors Arrangement Act)

SUMMARY OF CURRENT DOCUMENT	
Court File Number(s):	2025 01G 1510
Date of Filing of Document:	September 4, 2025
Name of Filing Party or Person:	Grant Thornton Limited, in its capacity as monitor of Nemori Farms Ltd.
Application to which Document being filed relates:	Application for an Order, among other things, approving a reverse vesting transaction, granting related relief, and authorizing certain distributions pursuant to the CCAA
Statement of purpose in filing:	To support an Application by the Monitor seeking Court approval for the order

The application of the Monitor, the Applicant herein says,

NATURE OF APPLICATION

1. Grant Thornton Limited ("**GTL**"), in its capacity as monitor (in such capacity, the "**Monitor**") of Nemori Farms Ltd. ("**Nemori**" or the "**Applicant**") pursuant to the *Companies' Creditors*

Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") has prepared this Notice of Application seeking an order substantially in the form attached hereto as **Schedule "B"** in this Notice of Application (the "**RVO**"), among other things:

(a) if necessary, abridging the notice periods pursuant to Section 11 of the CCAA and the *Rules of the Supreme Court, 1988*, Rule 3.03(1), Rule 6.04(2) and Rule 6.06;

(b) directing that the service on the service list set out in **Schedule "A"** hereto is sufficient for the purposes of this application, pursuant to Section 11 of the CCAA;

(c) approving the Share Subscription Agreement between Nemori and Coastal Agri Commodities Limited (the "**Purchaser**") dated September 4, 2025 (the "**Subscription Agreement**"), a copy of which is appended to the Sixth Report of the Monitor dated September 4, 2025 (the "**Sixth Report**"), as well as the transactions contemplated by the Subscription Agreement (the "**Transactions**");

(d) adding a company to be incorporated ("**Residual Co**") as an applicant to this CCAA proceeding;

(e) transferring and vesting all of Nemori's right, title and interest in and to the Excluded Assets and the Excluded Liabilities in and to ResidualCo;

(f) terminating, redeeming and cancelling the existing Equity Interests of Nemori;

(g) authorizing and directing Nemori to issue the Purchased Shares to the Purchaser, and vesting in the Purchaser all right, title and interest in and to the Purchased Shares, free and clear of any Claims and Encumbrances, other than Permitted Encumbrances;

(h) authorizing a distribution to Nemori's senior creditor, Royal Bank of Canada ("**RBC**"), in partial satisfaction of Nemori's indebtedness to RBC;

(i) granting the Monitor with enhanced powers ("**Enhanced Powers**") over ResidualCo upon the filing of a Monitor's Certificate confirming that the Proposed Transaction has closed;

(j) approving the Third Report of the Monitor dated June 25, 2025, the Fourth Report of the Monitor dated July 16, 2025, the Fifth Report of the Monitor dated July 29, 2025, and the Sixth Report (the "**Monitor's Reports**") and the activities described therein;

(k) approving the professional fees of the Monitor and its counsel, as described in the Sixth Report;

(l) sealing the Confidential Appendix to the Sixth Report (the "**Confidential Appendix**");

(m) Nemori meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations,* SOR/2008-222 and Nemori's former employees are individuals who upon termination may apply for the Wage Earner Protection Program as of the date of this Order; and

(n) such further and other relief as counsel may request and this Honourable Court may permit.

2. The Monitor also seeks a Second Amended and Restated Initial Order substantially in the form attached hereto as **Schedule "C"** in this Notice of Application (the "**Second ARIO**"), among other things:

(a) extending the stay of proceedings from September 11, 2025 to November 15, 2025; and

(b) increasing the Administration Charge from $250,000 to $400,000.

THE FOLLOWING EVIDENCE will be relied upon at the hearing of this Motion:

3. the Third Report of the Monitor dated June 25, 2025;

4. the Fourth Report of the Monitor dated July 16, 2025;

5. the Fifth Report of the Monitor dated July 29, 2025;

6. the Sixth Report of the Monitor; and

7. such further and other evidence as counsel may advise.

FACTS

Background

8. Nemori operates a dairy farm in Deer Lake, Newfoundland and Labrador, with operations that include milk production, breeding cows through artificial insemination, raising calves, attending to all animals' medical needs, and producing food crops for animal consumption, including corn silage, grass, and legumes (the "**Business**").

9. All capitalized terms that are not otherwise define herein are as defined in the Subscription Agreement.

The CCAA Proceedings

10. On March 6, 2025, Nemori obtained CCAA protection under s. 11 of the CCAA pursuant to an initial order ("**Initial Order**"), which among other things, appointed GTL as Monitor. The Initial Order was further amended on March 14, 2025 and April 24, 2025 (as amended, the "**ARIO**").

11. On April 24, 2025, the Court granted an order (the "**SISP Order**") approving a sale and investment solicitation process in the form attached as Schedule "A" to the SISP Order (the "**SISP**") with respect to Nemori's Business and property.

12. Subsequent orders of the Court have:

(a) extended the stay of proceedings to September 11, 2025; and

(b) permitted the Monitor to disclose the three highest bids in the SISP to RBC and Nemori, as well as consult with Nemori and RBC with respect to negotiations with potential bidders.

The SISP

13. The SISP Order granted on April 24, 2025 outlined a 45-day sale process by which the Monitor, working in conjunction with the Applicant, would solicit interest in and opportunities for: (i) one or more sales or partial sales of all, substantially all, or certain portions of the Applicant; and/or (ii) for an investment in, restructuring, recapitalization, refinancing or other form or reorganization of the business and affairs of the Applicant (the "**Opportunity**").

14. The Monitor implemented the SISP in accordance with the milestones and terms of the SISP Order.

15. On May 2, 2025 the Monitor launched the SISP and circulated a solicitation letter and non-disclosure agreement ("**NDAs**") to a targeted listing of 147 parties identified by the Monitor, in consultation with the Company and RBC, as having potential interest in the Opportunity. The Monitor also posted advertisements with respect to the Opportunity for approximately a month in the AllAtlantic publication and Farmer's Forum, as well as posted information on the SISP on the Monitor's website.

16. During the SISP, the Monitor received NDAs from nine parties. Those parties were granted access to a virtual data room to facilitate due diligence. Four of those parties also completed site visits.

17. On the Bid Deadline, a total of five Qualified Bids were received, four of which contemplated the continuation of Nemori as a going concern.

18. The Monitor provided Qualified Bidders two separate opportunities to consider and revise their Bid after the Bid Deadline.

19. Although RBC submitted the highest Qualified Bid, RBC's bid contemplated a liquidation of the Applicant. As a result, and with the direction of the Court, RBC, the Monitor and the Applicant discussed whether the next highest Qualified Bid, which would see the Business continue as a going concern, was acceptable to the parties and in the best interests of stakeholders.

20. Through those discussions, the Monitor, with the consent of RBC and Nemori, declared the Purchaser's bid to be the highest and best bid. The Monitor, in consultation with RBC and Nemori, then proceeded to negotiate definitive transaction documents with the Purchaser, which resulted in the Subscription Agreement.

The Subscription Agreement

21. The principal terms of the Subscription Agreement are summarized below:

Term	Details
Seller	Nemori
Purchaser	98566 Newfoundland & Labrador Ltd., as Purchaser
Transaction Structure	Reverse vesting structure by way of a share subscription agreement. All the Excluded Assets, Excluded Contracts, Excluded Leases, and Excluded Liabilities will be transferred to and vested in ResidualCo as part of the Closing Sequence. Residual Co shall have no issued or outstanding shares.

Purchased Assets	Nemori shall issue to the Purchaser, and the Purchaser shall subscribe for that number and class of shares in the share capital of Nemori from treasury, to be specified by the Purchaser at least two Business Days prior to the Closing Date, which shares shall be free and clear of all Encumbrances, except for any Permitted Encumbrances ("**Purchased Shares**"). In addition to the Purchased Shares, the Retained Assets and Retained Liabilities will remain with Nemori.
Purchase Price	The Purchaser will provide cash consideration (the "**Purchase Price**").
Employees	The Purchaser has requested that all employees be terminated prior to closing.
Retained Liabilities	• Cure Costs and liabilities of Nemori under any Retained Contracts and Retained Leases. • Tax liabilities of Nemori beginning on or after the Closing Date.
Excluded Assets and Excluded Liabilities	The Excluded Assets include the Cash Consideration, accounts receivable, certain Tax records related to the Excluded Liabilities and Excluded Assets, Excluded Contracts, all leases for equipment, and certain other ancillary assets. The Excluded Liabilities are all Claims and all debts, obligations and liabilities of Nemori or any predecessors thereof except for the Retained Liabilities. For clarity this includes but is not limited to any liabilities: (i) relating to or under the Excluded Contracts and Excluded Assets, and (ii) for all Terminated Employees.
Regulatory Approvals	Due to the structure of the Transactions, it is anticipated that all licences, certifications, and regulatory approvals will remain in place, and no additional regulatory approvals will be necessary. No *Competition Act* or other statutory approvals are needed.
Key Conditions to Closing	The only material condition to closing that has not yet been fulfilled is the granting of the RVO.
Closing Date	The 30th of September, 2025 and no later than the Outside Date of October 15, 2025.

RELIEF SOUGHT

Approval and Reverse Vesting Order

22. The transactions contemplated in the Subscription Agreement have been structured as a "reverse vesting" transaction whereby:

    (a) the Purchaser will acquire the shares of Nemori and become the sole shareholder of Nemori; and

    (b) all excluded assets, excluded contracts, and excluded liabilities will be transferred or "vested out" to Residual Co.

23. The reverse vesting structure will eliminate the need for Nemori to transfer its permits, licences, and milk quota that are crucial to its Business, thereby reducing the costs and time associated with closing the Transactions, for the benefit of Nemori's stakeholders and senior secured creditors. In addition, this structure will significantly reduce the time needed to finalize the Transactions.

24. The milk quota is regulated by Dairy Farmers of Newfoundland and Labrador through the *Milk Regulations, 1998* and as such, it would be a cumbersome and time-consuming process to obtain an assignment of the quota. As a result of the complex regulatory environment in which Nemori operates, reverse vesting structures are commonly used in acquisitions of businesses with such specialized assets under the CCAA.

25. A "reverse vesting" structure will not result in any material prejudice to the creditors of Nemori, nor will it impair any of the creditors' rights that they would otherwise have under an asset sale transaction.

Adding Residual Co as an Applicant

26. As set out in the RVO, following the steps contemplated in the Subscription Agreement, all of Nemori's excluded contracts and liabilities will be vested out to Residual Co together with the Purchase Price. At that time, Nemori will emerge from this proceeding and this proceeding will continue in respect of Residual Co.

27. As a result of the Transactions in the Subscription Agreement, Residual Co is a "debtor company" as defined in the CCAA.

Stay Extension

28. The Stay period under the ARIO expires on September 11, 2025. Nemori requests an extension of the Stay Period to November 15, 2025.

29. The Stay Period will terminate in respect of Nemori upon the closing pursuant to the Subscription Agreement. However, the CCAA proceeding and Stay Period will continue in respect of Residual Co until November 15, 2025 or the filing of bankruptcy of Residual Co.

30. Additional time is required to complete the Transactions contemplated under the Subscription Agreement and complete other matters necessary to wind-down ResidualCo and complete this CCAA proceeding.

31. Nemori therefore seeks an extension of the Stay Period in order to provide the required stability during until closing and for other steps to be taken with respect to the exit of Nemori and Residual Co from the CCAA.

32. Nemori has acted with good faith and due diligence.

Distribution

33. As set out in the Sixth Report and the RVO, the Monitor intends to make a distribution to RBC after the closing of the Transactions. RBC is the DIP Lender and senior secured creditor.

Increased Administration Charge

34. The Applicant is seeking an increase to the Administration Charge up to the maximum amount of $400,000, with the incremental amount of $150,000 for the benefit of the Monitor and its counsel.

35. The increased quantum of the Administration Charge was by the determined by the Monitor to be appropriate given the Monitor and its counsel have deferred their professional fee payments solely to allow the Company to fund capital expenses required to ensure animal welfare and maintain operations. The Company has not been able to obtain funding from other sources.

36. The quantum of the increased Administration Charge is commensurate with the fees and disbursements expected to be incurred by the beneficiaries of the Administration Charge during the Stay Period, the modest retainers held by certain of such beneficiaries, and such beneficiaries' significant arrears as of the date of this affidavit.

37. Further work will be required from the Monitor and its counsel advance Transactions to closing.

Given the complexity of this CCAA proceeding, the further work that will be required of the Monitor and its counsel to close the Transaction, the Monitor believes that the proposed Administration Charge is fair and reasonable.

Monitor's Expanded Powers over Residual Co

38. The Monitor seeks expanded powers as they relate to Residual Co to facilitate the ongoing administration of this CCAA proceeding and the closing of the Transaction, including:

    a) to take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of Residual Co in connection with the Subscription Agreement or the Transactions;

    b) to exercise any powers which may be properly exercised by any board of directors of Residual Co; and

    c) ultimately, to assign Residual Co or cause Residual Co to be assigned into bankruptcy upon completion of the Transactions.

39. The Monitor anticipates that a sole director will be appointed for Residual Co through to the closing date as set out in the Subscription Agreement. Nemori anticipates that the director would resign shortly thereafter, at which time the Monitor would be responsible for managing the affairs of Residual Co through to the conclusion of the Transactions and this proceeding.

Releases

40. The Application seeks a full and final release (the "**Releases**") in favour of:

    a. Nemori and Residual Co's current and former directors, officers, employees, legal counsel, and advisors;

    b. the Monitor, its legal counsel, and their respective current and former directors, officers, partners, employees, and advisors; and

    c. the Purchaser, its legal counsel, and their respective current and former directors, officers, employees, legal counsel, and advisors;

(collectively, the "**Related Parties**").

41. The Release covers any and all present and future claims against the Released Parties arising in connection with or relating to this CCAA proceeding, the Subscription Agreement, the consummation of the Transactions, and/or any closing document, agreement, document, instrument, matter or transaction involving Nemori or arising in connection with or pursuant to any of the foregoing, except any claim for fraud or willful misconduct, or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

42. The Released Parties have contributed to the successful outcome in this CCAA proceeding.

Sealing Order

43. The Monitor seeks to temporarily seal the Confidential Appendix to the Monitor's Sixth Report, being an unredacted copy of the Subscription Agreement.

44. The disclosure of the Purchase Price of the Subscription Agreement would be prejudicial to, among other things, the integrity of any additional marketing efforts that may be needed if the Transactions fail to close for any reason.

45. The sealing order sought is limited in time and will automatically expire at the earlier of the closing of the Transactions or further order of the Court. This will ensure that the Purchase Price provided in the Subscription Agreement remains confidential until all sale efforts are completed. This is necessary and sufficient to reasonably protect the legitimate stakeholder interests in the circumstances.

46. A full copy of the Subscription Agreement is being publicly filed as an appendix to the Sixth Report, with the Purchase Price redacted. As a result, the sealing order's effect on the

completeness of the public record, if any, will be minimal.

Approving the Monitor's Activities and Reports

47. The Monitor is seeking approval of the Monitor's Reports filed in these CCAA proceedings, as well as the activities and conduct of the Monitor described therein.

48. The Monitor's activities undertaken in these proceedings have been carried out in good faith and in accordance with the provisions of the orders of the Court issued in these proceedings and should be approved. Approval of the Monitor's Reports and the activities described therein will assist in advancing these CCAA proceedings to a conclusion.

Approving the Fees and Disbursements of the Monitor and its Counsel

49. Under the ARIO, the Monitor and its counsel are entitled to be paid their reasonable fees and disbursements for this CCAA proceeding.

50. The Monitor is seeking to have its fees and disbursements, and those of its counsel, approved by the Court, which fees are summarized in the Sixth Report.

51. The Monitor's fees and disbursements, as well as those of its counsel, Reconstruct LLP ("**RECON**"), are fair and reasonable in the circumstances and have been validity incurred in accordance with the provisions of the Initial Order, and with respect to the Monitor's legal counsel, reflect services by RECON consistent with the instructions given by the Monitor to them.

OTHER GROUNDS

52. The provisions of the CCAA, including without limitation sections 11, 11.02, and 36 and the Court's equitable jurisdiction thereunder;

53. Rules 2.01(1), 3.03(1) , 6.04(2), 6.06 and 29 of the *Rules of the Supreme Court, 1986*;

54. *Wage Earner Protection Program Act*, S.C. 2005 c. 47, s.1;

55. *Wage Earner Protection Program Regulations*, SOR 12008-222; and

56. Such further and other grounds as counsel may advise and this Court may permit.

RELEIF SOUGHT

57. The Monitor therefore seeks the RVO and Second ARIO pursuant to the CCAA substantially in the form attached as **Schedule "B"** and **Schedule "C"** to this Notice of Application.

DATED at St. John's, Newfoundland and Labrador, this 4th day of September, 2025.

RECONSTRUCT LLP

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80 Richmond Street West
Suite 1700
Toronto, ON M5H 2A4
Telephone: 416.613.8288
Email: skour@reconllp.com

Counsel for the Monitor,
Grant Thornton Limited

TO: Counsel and others listed in the "Service List" attached as Schedule "A"

ISSUED at St. John's in the Province of Newfoundland and Labrador this _day of _____ __________________, 2025.

____
Registrar/Registry clerk

2022 01G 1964

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

AND IN THE MATTER OF an application of Nemori Farms Ltd.

Notice to the Respondents

You are hereby notified that the foregoing application will be made to a judge presiding in Chambers at the Courthouse at 309 Duckworth Street, St. John's, Newfoundland and Labrador, on Thursday, the 11th day of September, 2025 at the hour of 10 o'clock in the forenoon or as soon thereafter as the application can be heard.

AND FURTHER TAKE NOTICE that the judge may make an order in favour of the applicant in your absence and without further notice unless you or your solicitor appear at the time and place noted above.

TO: THE SERVICE LIST

SCHEDULE “A”

SERVICE LIST

NEMORI FARMS LTD
Schedule "A"

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 2A4 **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@doane.gt.ca Faith.Capone@doane.gt.ca
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SCHEDULE “B”

DRAFT RVO

CCAA 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 ("CCAA")

AND IN THE MATTER OF an application by Nemori Farms Ltd.

APPROVAL AND REVERSE VESTING ORDER

Before the Honourable Justice Alexander MacDonald on September 11, 2025:

THIS APPLICATION made by Grant Thornton Limited ("**Grant Thornton**"), in its capacity as Monitor of Nemori (the "**Monitor**") for an order, among other things: (i) approving the Share Subscription Agreement between Nemori Farms Ltd. ("**Nemori**") and Coastal Agri Commodities Limited (the "**Purchaser**") dated September 4, 2025 (the "**Subscription Agreement**"), a copy of which is appended to the Sixth Report of the Monitor dated September 4, 2025 (the "**Sixth Report**"), as well as the transactions contemplated by the Subscription Agreement (the "**Transactions**"); (ii) adding ● ("**Residual Co**") as an applicant to this CCAA proceeding; (iii) transferring and vesting all of Nemori's right, title and interest in and to the Excluded Assets and the Excluded Liabilities in and to ResidualCo; (iv) authorizing and directing Nemori to file the Articles of Reorganization, if required by the Purchaser; (v) terminating, redeeming and cancelling the existing Equity Interests of Nemori; (v) authorizing and directing Nemori to issue the Purchased Shares to the Purchaser, and vesting in the Purchaser all right, title and interest in and to the Purchased Shares, free and clear of any Claims and Encumbrances, other than Permitted Encumbrances; (vi) extending the stay of proceedings from September 11, 2025 to **[October 31, 2025]**; (vii) authorizing a distribution to Nemori's senior creditor, Royal Bank of Canada ("**RBC**"), in partial satisfaction of Nemori's indebtedness to RBC, in the amount of $●; (viii) increasing the Administration Charge from $250,000 to $400,000; (viv) approving the Third Report of the Monitor dated June 25, 2025, the Fourth Report of the Monitor dated July 16, 2025, the Fifth Report of the Monitor dated July 29, 2025, and the Sixth Report (the "**Monitor's Reports**") and the activities described therein; (x) approving the professional fees of the Monitor and its counsel, as described in the Sixth Report and the Fee Affidavit of Jessica Wuthmann sworn September 4, 2025 appended to the Sixth Report; and (xi) sealing the Confidential Appendix to the Sixth Report (the "**Confidential Appendix**"),

AND UPON READING the materials filed by the Monitor, including the Sixth Report of the Monitor and the appendices thereto;

AND UPON HEARING the submissions of counsel for the Monitor, counsel for Nemori, counsel for the Purchaser, and counsel for the DIP Lender and those other parties listed on Counsel Slip, no one else appearing although duly served;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application is hereby abridged and validated so that this Application is properly returnable and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings given to them in the Subscription Agreement or, if not defined therein, the Second Amended and Restated Initial Order of the Honourable Justice MacDonald dated September 11, 2025 ("**ARIO**").

APPROVAL AND VESTING

3. **THIS COURT ORDERS** that the Subscription Agreement and the Transactions be and are hereby approved and that the execution of the Subscription Agreement by Nemori and the Purchaser is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary or otherwise agree to, with the approval of the Monitor. Nemori and the Purchaser are hereby authorized and directed to perform their respective obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including the cancellation of the existing Equity Interests, the filing of the Articles of Reorganization, the issuance of the Purchased Shares to the Purchaser, and any such additional documents contemplated in the Subscription Agreement.

4. **THIS COURT ORDERS** that notwithstanding any provision hereof, the closing of the Transaction shall be deemed in the manner, order and sequence set out in the Subscription

Agreement, with such alterations, changes or amendments as may be agreed to by Nemori and the Purchaser, with the consent of the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the Transactions or the consideration which Nemori and/or its applicable stakeholders will benefit from as part of the Transactions.

5. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by Nemori and the Monitor to proceed with the Transactions, and that no shareholder or other approval shall be required in connection therewith.

6. **THIS COURT ORDERS** that, upon the delivery of the Monitor's certificate substantially in the form attached as **Schedule "A"** hereto (the "**Monitor's Closing Certificate**") to Nemori and the Purchaser (the "**Closing Time**"), the following shall occur and shall be deemed to have occurred at the Closing Time, all in accordance with the Subscription Agreement:

(a) first, all of Nemori's right, title and interest in and to the Excluded Assets and Excluded Liabilities shall vest absolutely and exclusively in Residual Co, with all applicable debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO or any other Order of the Court in the CCAA proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to *Personal Property Security Act (Newfoundland and Labrador)*, or any other personal property registry system or pursuant to *the Registration of Deeds Act*, *2009 (Newfoundland and Labrador),* or any other real property or real property related registry or recording system (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances listed on **Schedule "B"** hereto with respect to the Subscription Agreement) continuing to attach to the Excluded Assets and to the

Purchase Price in accordance with paragraph 11 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer.

(b) second, all Excluded Assets and Excluded Liabilities shall become obligations and assets of Residual Co and shall no longer be obligations or assets of Nemori and all of Nemori's respective assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate, including property held in trust for Nemori (the "**Applicant's Property**"), shall be and are hereby forever released and discharged from such Excluded Assets and Excluded Liabilities and all related Claims and all Encumbrances affecting or relating to the Applicant's Property are to be expunged and discharged as against the Applicant's Property. For greater certainty, with respect to confirming, amending or discharging registrations at the Registry of Deeds for Newfoundland and Labrador pursuant to the *Registration of Deeds Act*, *2009*:

   i. those registrations identified in **Schedule "C"** shall be transferred to and become registrations of Residual Co and extinguished as against Nemori and

   ii. those registrations identified in **Schedule "B"** shall be retained as registrations with respect to Nemori and the assets identified therein;

(c) third, in consideration for the Purchase Price, Nemori shall issue the Purchased Shares to the Purchaser, and all of the right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of all Claims and Encumbrances other than Permitted Encumbrances;

(d) fourth, all existing Equity Interests of Nemori as well as any agreement, contracts, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of Nemori shall be deemed terminated and cancelled for no consideration and the only equity interests in Nemori that shall remain issued and outstanding after the date hereof shall be the Purchased Shares;

(e) fifth, if determined necessary by the Purchaser, the Articles of Reorganization in respect of Nemori (the "**Articles of Reorganization**") shall be filed or deemed to be filed; and

(f) sixth, Nemori shall be deemed to cease being an Applicant in this CCAA proceeding and Nemori shall be deemed to be released from the purview of the ARIO and all other orders of this Court granted in respect of this CCAA proceeding, save and except for this Order, the provisions of which (as they relate to Nemori) shall continue to apply in all respects.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Closing Certificate, forthwith after the Closing Time.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from Nemori and the Purchaser regarding the satisfaction or waiver of the conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery and filing of the Monitor's Closing Certificate.

9. **THIS COURT ORDERS** that upon delivery of the Monitor's Closing Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to Nemori or the Applicant's Property, business or operations (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Closing Certificate and a copy of this Order as though they were originals and to enter into records, make, amend or discharge such registrations and transfers of interests as the Purchaser, Nemori, Residual Co or the Monitor may require to give effect to the terms of this Order and the Subscription Agreement. Presentment of a copy of this Order and the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to enter into records, make, amend or discharge registrations and transfers of interests as required by this paragraph, including, without limitation, to effect the discharge of the Claims and Encumbrances as against Nemori.

10. **THIS COURT ORDERS** that no authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction over Nemori, the Purchased Shares or the Retained Assets is required for the due execution, delivery and performance by Nemori of the Subscription Agreement.

11. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the delivery of the Monitor's Closing Certificate, all Claims and Encumbrances shall attach to the Purchase Price, with the same priority as they had with respect to the Retained Assets immediately prior to the sale, as if the Excluded Liabilities had not been transferred to Residual Co, as applicable, and remained liabilities of Nemori immediately prior to the foregoing transfer.

12. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, Nemori or the Monitor, as the case may be, is authorized, permitted, and directed to, at the Closing Time, disclose to the Purchaser all human resources and payroll information in Nemori's records pertaining to past and current employees of Nemori. The Purchaser shall maintain and cause Nemori, after Closing, to maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all materials respects identical to the prior use of such information by Nemori prior to Closing.

13. **THIS COURT ORDERS AND DELCARES** that, at the Closing Time and without limiting the provisions of paragraph 6 hereof, Nemori, the Monitor and the Purchaser shall be deemed released from any and all Claims or obligations with respect to Taxes of, or that relate to, Nemori, provided that, as it relates to Nemori and the Purchaser, such release shall not apply to (i) Taxes in respect of the business and operations conducted by Nemori after the Closing Time; or (ii) Taxes expressly assumed as Retained Liabilities pursuant to the Subscription Agreement, including without limiting the generality of the foregoing, all Taxes that could be assessed against Nemori or the Purchaser (including their affiliates and any predecessor corporations) pursuant to sections 160 and 160.01 of the *Income Tax Act*, R.S.C. 1985 c. 1 (5^{th} Supp.), as amended, or any provincial equivalent, in connection with Nemori. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to Residual Co.

14. **THIS COURT ORDERS** that except for the Excluded Assets, Excluded Contracts, and Excluded Liabilities, all Retained Contracts, and all licenses, quotas and regulatory approvals required for Nemori's business issued under the *Milk Scheme, 1998,* NLR 68/98 or other similar legislation, shall remain in full force and effect upon and following the Closing Time and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such Retained Contract may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or

other remedy) or make any demand under or in respect of any such contract, and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the Closing Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of Nemori);

(b) the insolvency of Nemori or the fact that Nemori obtained relief under the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transactions, the provisions of this Order, or any other Order of this Court in this CCAA proceeding; or

(d) any transfer or assignment, or any change of control of Nemori, arising from the implementation of the Subscription Agreement, the Transactions, or the provisions of this Order.

15. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 14 hereof shall waive, compromise or discharge any obligations of Nemori or the Purchaser, in respect of any Retained Liabilities, (b) the designation of any Claim as a Retained Liability is without prejudice to Nemori's or the Purchaser's right to dispute the existence, validity or quantum of any such Retained Liability, and (c) nothing in this Order or the Subscription Agreements shall affect or waive Nemori's or the Purchaser's rights and defenses, both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liabilities.

16. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all breaches and/or defaults of Nemori then existing or previously committed by Nemori, or caused by Nemori, directly or indirectly, as well as any non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any Retained Contract arising directly or indirectly from the filing by Nemori under the CCAA and implementation of the Transactions, including without limitation any of the matters or events listed in paragraphs 6 and 14 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Retained Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse

Nemori or the Purchaser from performing their obligations under the Subscription Agreement (including their obligations related to Cure Costs), or be a waiver of defaults by Nemori or the Purchaser under the Subscription Agreement and the related documents.

17. **THIS COURT ORDERS** that, from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, indirectly, derivatively or otherwise, and including without limitation administrative hearings or tribunal hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against Nemori or the Purchaser relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities, and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

18. **THIS COURT ORDERS** that from and after the Closing Time:

(a) the nature of the Retained Liabilities retained by Nemori, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to Residual Co;

(c) any Person that prior to the Closing Time had a valid right or claim against Nemori under or in respect of any Excluded Asset or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have an Excluded Liability Claim against Nemori, but will have an equivalent Excluded Liability Claim against Residual Co in respect of the Excluded Asset or Excluded Liability, from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against Residual Co; and

(d) any Person with an Excluded Liability Claim against Residual Co following the Closing Time shall have the same rights, priority and entitlement as against Residual Co as such Person had against Nemori in respect of that Excluded Liability Claim prior to the Closing Time

19. **THIS COURT ORDERS that, from and after the Closing Time:**

(a) Residual Co shall be a company to which the CCAA applies; and

(b) Residual Co shall be added as an Applicant in this CCAA proceeding and all references in any order of this Court in respect of this CCAA proceeding (except the herein order) to (i) an "Applicant" shall refer to and include Residual Co and (ii) "Property" shall include all present and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of Residual Co, and, for greater certainty, each of the Charges (as defined in the ARIO) shall constitute a charge on the property of Residual Co.

20. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to:

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 ●

21. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these CCAA proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 195, c. B-3, as amended (the "**BIA**"), in respect of Nemori or Residual Co and any bankruptcy order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of Nemori or Residual Co; and

(d) the provisions of any applicable legislation,

the Subscription Agreement, the implementation and consummation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Liabilities and Excluded Contracts in and to Residual Co, the redemption and cancellation of all existing Equity Interests in Nemori for no consideration, the issuance, transfer and vesting of the Purchased Shares in and to the Purchaser), shall be binding on any trustee in bankruptcy that may be appointed in respect of Nemori and/or Residual Co and shall not be void or voidable by creditors of Nemori or Residual Co, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

WEPPA DECLARATION

22. **THIS COURT ORDERS** that pursuant to section 5(5) of the *Wage Earner Protection Program Act* (Canada), SC 2005, c. 47, s. 1 ("**WEPPA**"), Nemori meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations,* SOR/2008-222 and Nemori's former employees are individuals who upon termination may apply for the Wage Earner Protection Program as of the date of this Order.

THE MONITOR

23. **THIS COURT ORDERS** that nothing in this Order shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in this CCAA proceeding and Grant Thornton shall continue to have the benefit of any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO and any other orders in this CCAA proceeding or otherwise, including all approvals, protections and stays of proceedings in favour of Grant Thornton in its capacity as Monitor, all of which are expressly continued and confirmed.

24. **THIS COURT ORDERS** that no action lies against the Monitor and its legal counsel and their respective affiliates, directors, officers, partners, employees, and advisors (the **"Monitor Released Parties"**) by reason of this Order or the performance of any act authorized by this Order, except with prior leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel and upon further order securing, as security for costs, the full indemnity costs of the applicable Monitor Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

25. **THIS COURT ORDERS** that, upon the Closing Time, in addition to the powers and duties of the Monitor set out in the ARIO or any other Order of this Court granted in this CCAA proceeding, the Monitor be and is hereby authorized and empowered, but not required, to:

a) cause Residual Co to take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, Residual

Co, contemplated to be taken or executed by Residual Co pursuant to or in connection with the Subscription Agreement or the Transactions contemplated thereby (or as otherwise may be considered necessary or desirable in connection therewith) or any Order of this Court;

b) exercise any powers which may be properly exercised by any board of directors of Residual Co;

c) open one or more new accounts in the name of the Monitor for and on behalf of Residual Co (the "**ResidualCo Accounts**") into which all funds, monies, cheques, instruments and other forms of payment payable to Residual Co may be deposited from and after the making of this Order from any source whatsoever and to operate and control, as applicable, on behalf of Residual Co, the Residual Co Accounts in such manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties, including paying the fees and expenses of the Monitor, counsel to the Monitor and counsel to Nemori or Residual Co in accordance with the terms of the ARIO or other orders in this CCAA proceeding;

d) cause Residual Co to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down of Residual Co, the distribution of the proceeds of Residual Co's property, or any other related activities, including in connection with bringing this CCAA proceeding to an end;

e) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of Residual Co (including any governmental authority) in the name of or on behalf of Residual Co;

f) claim or cause Residual Co to claim any and all insurance refunds or tax refunds to which Residual Co is entitled;

g) assign Residual Co, or cause Residual Co to be assigned, into bankruptcy, and the Monitor shall hereby be entitled but not obligated to act as a trustee of Residual Co in any such bankruptcy;

h) cause the dissolution or winding-up of Residual Co;

i) act as an authorized representative of Residual Co in respect of dealings with the Canada Revenue Agency (the "**CRA**"), and the Monitor shall hereby be entitled to execute any appointment or authorization form on behalf of Residual Co that the CRA may require in order to confirm the Monitor's appointment as an authorized representative of Residual Co for such purposes; and

j) apply to this Court for advice and directions or any further orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court, including for advice and directions with respect to any matter.

26. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the management of Nemori or Residual Co, or any part thereof; or (b) be deemed to be in Possession (as defined in the ARIO) of any property of Nemori or Residual Co within the meaning of any applicable Environmental Legislation (as defined in the ARIO) or otherwise.

27. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor, its employees and representatives are not and shall not be or be deemed to be, a director, officer, or employee of Residual Co, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order.

28. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of Residual Co.

29. **THIS COURT ORDERS** that the Monitor’s Reports, and the activities and conduct of the Monitor referred to therein are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

30. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Sixth Report, be and are hereby approved.

RELEASE

31. **THIS COURT ORDERS** that, effective upon the Closing Time, (a) the current directors, officers, shareholders, employees, consultants, legal counsel and advisors of Nemori; (b) the

current directors, officers, shareholders, consultants, legal counsel and advisors to Residual Co; (c) the Purchaser and its legal counsel and their respective affiliates, directors, officers, partners, employees, and advisors; and (d) the Monitor Released Parties (the Persons listed in (a), (b), (c) and (d) being collectively, the **"Released Parties"**) shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, duties, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) arising in connection with or relating to this CCAA proceeding, the Subscription Agreement, the consummation of the Transactions, and/or any closing document, agreement, document, instrument, matter or transaction involving Nemori or arising in connection with or pursuant to any of the foregoing (collectively, the "**Released Claims**"), which Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to Residual Co or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or willful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or any obligations of the Released Parties under, or in connection with, the Subscription Agreement. For greater certainty, "current" in this paragraph refers to individuals who remain in their respective role(s) up to one day prior to closing of the Transactions.

DISTRIBUTION

32. **THIS COURT ORDERS** that the Monitor is hereby directed and empowered to make a distribution to RBC, in the amount of $● (the "**Distribution**").

33. **THIS COURT ORDERS** that neither the Monitor nor Nemori shall incur any liability as a result of making the Distribution or as a result of any step taken to complete such Distribution as authorized by this Order.

34. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of this CCAA proceeding;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of Residual Co and any bankruptcy order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of any of Nemori or Residual Co; or

(d) the provisions of any federal or provincial legislation;

any distribution made pursuant to this Order is final and irreversible and shall be binding upon any trustee in bankruptcy that may be appointed in respect of Nemori or Residual Co, and shall not be void or voidable by creditors of Nemori or Residual Co, nor shall any such distribution constitute or be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer-at-undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial law, nor shall it constitute conduct which is oppressive, unfairly prejudicial to or which unfairly disregards the interests of any person, and shall, upon the receipt thereof, be free of all claims, liens, security interests, charges or other encumbrances granted by or relating to Nemori or Residual Co.

SEALING

35. **THIS COURT ORDERS** that the Confidential Appendix is hereby sealed pending the Closing Time or further Order of the Court.

GENERAL

36. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser shall be authorized to take all steps as may be necessary to affect the discharge of the Claims and Encumbrances in respect of Excluded Assets or Excluded Liabilities as against Nemori, the Purchased Shares and the Retained Assets.

37. **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

38. **THIS COURT ORDERS** that Nemori and the Monitor be at liberty and are 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.

39. **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, or in any foreign jurisdiction, to give effect to this Order and to assist Nemori, 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 Nemori and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Nemori, the Monitor and their respective agents in carrying out the terms of this Order.

40. **THIS COURT ORDERS** that this Order and all its provisions are effective as of 12:01 a.m. Newfoundland and Labrador Time on the date hereof, provided that (i) the transaction steps set out in paragraph 6 hereof shall be deemed to have occurred sequentially, one after the other, in the order set out in paragraph 6 hereof; and that (ii) it is made and is enforceable without any need for entry and filing.

SCHEDULE A

FORM OF MONITOR'S CLOSING CERTIFICATE

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

AND IN THE MATTER OF an application of Nemori Farms Ltd.

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to the Initial Order of the Honourable Justice MacDonald of the Supreme Court of Newfoundland and Labrador (In Bankruptcy and Insolvency) (the "**Court**") dated March 6, 2025, as amended and restated on March 14, 2025 and April 24, 2025 (the "**ARIO**"), Nemori Farms Ltd. ("**Nemori**") was granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and Grant Thornton Limited was appointed as the monitor of Nemori (in such capacity, the "**Monitor**").

B. Pursuant to an Order of this Court dated ●, 2025 (the "**Approval and Reverse Vesting Order**"), the Court, inter alia, (i) approved the Share Subscription Agreement (the "**Subscription Agreement**") entered into by and between Nemori, as vendor, and Coastal Agri Commodities Limited, as purchaser (the "**Purchaser**"); (ii) approved the transactions contemplated by the Subscription Agreement; (iii) added ● ("**Residual Co**") as an Applicant to this CCAA proceeding; (iv) vested all of Nemori's right, title and interest in and to the Excluded Assets and the Excluded Liabilities in and to Residual Co; (v) authorized and directed Nemori to file the Articles of Reorganization (if determined necessary by the Purchaser); and (vi) vested all of the right, title and interest in and to the Purchased Shares in the Purchaser.

C. Unless Otherwise indicated herein, all terms have the meanings set out in the Subscription Agreement or the ARIO.

THE MONITOR CERTIFIES that it was advised by Nemori and the Purchaser that:

1. The Monitor has received written confirmation from Nemori and the Purchaser, in form and substance satisfactory to the Monitor, that all conditions to closing set out in the Subscription Agreement have been satisfied or waived by the Purchaser or Nemori, as applicable; and

2. The Purchaser has paid to the satisfaction of the Monitor the Purchase Price in accordance with the Subscription Agreement.

This Certificate was delivered by the Monitor at ___________ on __________, 2025.

Grant Thornton Limited, in its capacity as Monitor of Nemori Farms Ltd. and not in its personal or corporate capacity.

Per: ________________________________

Name: **Liam Murphy**

Title: **Senior Vice President**

SCHEDULE B

PERMITTED ENCUMBRANCES

Nil.

SCHEDULE C

EXCLUDED REGISTRATIONS

SCHEDULE “B”

DRAFT SECOND
ARIO

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 (the "**Company**")

SECOND AMENDED AND RESTATED INITIAL ORDER

Before the Honourable Justice A. MacDonald:

WHEREUPON the Monitor has filed a motion for, among other things, approval of a sale transaction and a reverse vesting order;

AND UPON reading the Notice of Motion and the report of the Monitor dated September 4, 2025 (the "**Sixth Report**"), and the Memorandum of Fact and Law filed on behalf of the Monitor, and on hearing the submissions of counsel for the Monitor and such other counsel as appeared, with all parties being duly served, 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 Company is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

2. **THIS COURT ORDERS** that the Company 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 Company 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 Company shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Company is 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 Company 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 Company 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 Company, 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 the Company 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 Company 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 hereto as **Schedule "A"**), amounts owing for goods and services supplied to the Company, 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.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Company shall be entitled but not required to pay all reasonable expenses incurred by the Company 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 Company following the date of this Order.

7. **THIS COURT ORDERS** that the Company 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 Company in connection with the sale of goods and services by the Company, 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 Company.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Company 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 Company 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.

9. **THIS COURT ORDERS** that, except as specifically permitted herein the Company is 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 Company 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

10. **THIS COURT ORDERS** that the Company 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 Company to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. **THIS COURT ORDERS** that the Company 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 Company, or by further Order of this Court upon application by the Company on at least two (2) days' notice to such landlord and any such secured creditors. If the Company 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.

12. **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 Company 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 Company 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 COMPANY OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including 15 November 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 Company or the Monitor, or affecting the Business or the Property except with the written consent of the Monitor and the Company, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Company or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **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 Company 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 Company, or leave of this Court, provided that nothing in this Order shall (i) empower the Company to carry on any business which the Company 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

15. **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 Company, except with the written consent of the Monitor and the Company, or leave of this Court.

CONTINUATION OF SERVICES

16. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Company 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 Company, 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 Company, and the Company 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 Company in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and the Company or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. **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 Company. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. **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 Company with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Company 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 Company, if one is filed, is sanctioned by this Court or is refused by the creditors of the Company or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. **THIS COURT ORDERS** that the Company shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Company 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

20. **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 Company with the powers and obligations set out in the CCAA or set forth herein and that the Company and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Company 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.

21. **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 Company, to the extent required by the Company, 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 Company 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 Company in the preparation of the Companies' cash flow statements and reporting required by the DIP Lender;

(e) advise the Company in their development of a plan or compromise or arrangement and any amendments thereto;

(f) assist the Company, to the extent required by the Company, 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 Company, to the extent that is necessary to adequately assess the Company 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 Company 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.

22. **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.

23. **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.

24. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Company with information provided by the Company 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 Company 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 Company may agree.

25. **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.

26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Company 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 Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Company on a weekly basis and, in addition, the Company is hereby authorized to pay to the

Monitor, counsel to the Monitor, and counsel to the Company reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

27. **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.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Company's 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 in respect of the Monitor, counsel to the Monitor and the Company's counsel, and a further $150,000 in respect of the Monitor and counsel to the Monitor 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 35 to 40herein.

DIP FINANCING

29. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to obtain and borrow under a credit facility from the Royal Bank of Canada (the "**DIP Lender**") in order to finance the Company's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed $825,000.00 unless permitted by further Order of this Court.

30. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Company and the DIP Lender dated as of 12 March 2025 as attached hereto as Schedule "A" and any amendments thereto, (as amended, the "**Commitment Letter**"), filed.

31. **THIS COURT ORDERS** that the Company 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 DIP Term Sheet and any amendments thereto or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Company 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 DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

32. **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 35 to 40 hereof.

33. **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 2 Business Days notice to the Company and the Monitor, may exercise any and all of its rights and remedies against the Company or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Company and set off and/or consolidate any amounts owing by the DIP Lender to the Company against the obligations of the Company to the DIP Lender under the DIP Term Sheet, 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 Company and for the appointment of a trustee in bankruptcy of the Company; 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 Company or the Property.

34. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Company under the CCAA, or any proposal filed by the Company 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

35. **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 plus a further $150,000)

Second - DIP Lender's Charge ($825,000)

36. **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.

37. **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.

38. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with any of the Charges, unless the Company 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.

39. **THIS COURT ORDERS** that the Charges, the DIP Term Sheet 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 Company, 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 DIP Term Sheet or the Definitive Documents shall not be deemed to constitute a breach by the Company 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 Company entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) The payments made by the Company pursuant to this Order, the DIP Term Sheet 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.

40. **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

41. **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 Company 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.

42. **THIS COURT ORDERS** that the Company 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 Company creditors or other interested parties at their respective addresses as last shown on the records of the Companies 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

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

44. **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.

45. **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 Company, 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 Company 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 Company and the Monitor and their respective agents in carrying out the terms of this Order.

46. **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.

47. **THIS COURT ORDERS** that any interested party (including the Company 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.

48. **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.

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SCHEDULE "A"
DIP Term Sheet