

2025 01G
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

NOTICE OF APPLICATION

(Companies' Creditors Arrangement Act)

NATURE OF APPLICATION

1. Nemori Farms Ltd. ("**Nemori**" or the "**Applicant**") seeks a "first day" initial order pursuant to the CCAA substantially in the form attached as **Schedule "B"** to this Notice of Application (the "**Initial Order**"), that, among other things:

(a) abridges the notice periods pursuant to Section 11 of the CCAA and Rules 3.03(1), 6.04(2) and 6.06 of the *Rules of the Supreme Court, 1986*, SNL1986, c. 42, Schedule D, as amended (the "**Rules**");

(b) directs that the service on the Service List attached as Schedule "**A**" to this Notice of Application is sufficient for purposes of this Application pursuant to Section 11 of the CCAA;

(c) declares that the Applicant qualifies as a "debtor company" within the meaning of the CCAA;

(d) appoints Grant Thornton Ltd. ("**GT**" or the "**Proposed Monitor**") as Monitor to the Applicant;

(e) stays all actions, suits, proceedings and remedies taken or that can be taken against or in respect of the Applicant, its property, its business, its directors and officers, or the Monitor, for an initial period of 10 days until the comeback hearing (the "**Comeback Hearing**") in accordance with Section 11.02 of the CCAA;

(f) approves a charge securing the fees and disbursements of the professionals, including the Applicant's counsel, the Monitor, and the Monitor's counsel, incurred in

respect of these proceedings both before and after the Initial Order, to an initial maximum of \$150,000.00 (the "**Administration Charge**");

(g) approves a directors and officers charge (**D&O Charge**) in the amount of \$100,000.00;

(h) entitles but does not require the Applicant to pay amounts owing for goods and services supplied to the Applicant, whether incurred prior to or after the Initial Order, 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 of the Applicant.

2. The Applicant will return for the Comeback Hearing on notice to the Service List and any other affected parties that become known after the Initial Order to seek an Amended and Restated Initial Order ("**ARIO**").

3. The Applicant is currently in talks with several parties regarding debtor-in-possession financing (the "**DIP Loan**"), the terms of which it will finalize and circulate prior to the expiry of the Initial Stay Period. At the Comeback Hearing, the Applicant request approval of the DIP Loan and will also seek to extend the Stay Period and such other relief as the Applicant, in consultation with the Proposed Monitor, deems necessary and appropriate.

FACTS

Urgent need for CCAA relief:

4. The Applicant is incorporated in Newfoundland and Labrador and operates in the agriculture industry. Nemori specializes in dairy farming, maintaining a herd of 300 cows and cultivating 250 acres of land on the west coast of Newfoundland and Labrador (the "**Property**").

5. Since acquiring the Property in 2020, the Applicant has experienced liquidity challenges and financial distress due to numerous factors including the Covid-19 pandemic and related effects, such as rising essential supply costs (particularly in relation to animal feed and diesel) due to inflation and rising interest rates, as well as onerous loan terms coupled with the need for a great amount of capital than projected due to unexpected equipment maintenance and repair costs.

6. As a result of the foregoing, the Applicant fell into default on loans owed to its

secured creditor[s], specifically the Royal Bank of Canada ("**RBC**"). RBC issued its s. 244(1) Notice of Intention to Enforce under the BIA on 17 February 2024.

7. The Applicant requires urgent relief under the CCAA to continue to operate and to financially restructure its affairs. It has insufficient cash to satisfy its creditors' immediate demands. The Applicant urgently requires capital to sustain its operation and make necessary repairs and has no access to further credit under its existing financing facilities.

8. The Applicant is of the view that a CCAA is the best procedural option available to deal with its insolvency and maximize its value for all stakeholders, including creditors, suppliers and customers. Particularly because the Applicant's assets include livestock, it is crucial that the Applicant receive immediate creditor protection and related interim relief that will enable the Applicant to adequately care for the cattle to ensure ongoing dairy production.

9. The Applicant intends to keep the businesses operating as a going concern following either restructuring or a sales and investment solicitation process ("**SISP**"), which would be presented for Court approval at a future hearing. The Applicant will consider other options, such as selling assets to support a refinance of the rest of the operations, if the Monitor, upon review, makes this recommendation.

10. The CCAA protection sought within this Application, if granted, will afford the Applicant the necessary breathing room to protect the status quo and to restructure its operations with the goal of continuing to be a valuable contributor to the Newfoundland and Labrador agriculture industry and provincial economy.

10-day Initial Stay Period leading to Comeback Motion:

11. As outlined above and in the Initial Affidavit, the Applicant urgently requires a stay of proceedings and is seeking a stay for an initial period of 10 days until the Comeback Hearing.

12. This is necessary and in the best interests of the Applicant and its stakeholders as it will allow the Applicant to continue to operate in the ordinary course while allowing the Applicant to confer with the Monitor and develop a formal plan to present to the Court for approval.

13. At the Comeback Hearing, the Applicant intends to seek an extension of the stay within a proposed ARIO. With the benefit of a stay, the cashflow prepared by the Proposed

Monitor indicates that the Applicant will have sufficient cash to fund its projected operating costs without requiring interim financing.

Appointment of GT as Monitor:

14. The Applicant has engaged the Proposed Monitor, GT, to act as Monitor in these CCAA proceedings. As required under the CCAA, the Proposed Monitor is a “trustee” within the meaning of section 2 of the Bankruptcy and Insolvency Act and is not subject to any of the restrictions set out in section 11.7(2) of the CCAA.

15. The Proposed Monitor is a well-recognized licensed insolvency trustee firm with substantial CCAA experience in Newfoundland and Labrador. The Proposed Monitor is also a leading business consulting firm that will provide valuable advice to the Applicant during the restructuring process. The involvement of the Proposed Monitor as an officer of this Court will lend stability and assurance to the Applicant’s stakeholders.

16. The Proposed Monitor has consented to act as Monitor, see attached Consent to Act as **Schedule “C”**.

Administration Charge:

17. The Applicant seeks the approval of an Administration Charge for the Initial Stay Period in the aggregate amount of \$150,000.00 to secure the fees and disbursements incurred in connection with professional services rendered to the Applicant, both before and after the commencement of the CCAA proceedings, by the Monitor, the Applicant, and its respective counsel.

18. The Applicant requires professional assistance to implement restructuring options in compliance with all applicable accounting standards and legal requirements. There is no duplication of roles involved in the proposed team.

19. The initial quantum of the Administration Charge is limited to the relief necessary during the 10-day Initial Stay Period. The Applicant will seek Court approval at the Comeback Hearing to increase the Administration Charge if deemed necessary by the Applicant and Monitor at that time.

Directors and Officers Charge:

20. The Applicant is seeking a Directors and Officers charge in the amount of \$100,000.00 to ensure the ongoing ability of Sheldon and Calvin Cameron to run the Applicant's farming operation and participate in the CCAA process, including in a prospective SISP.

Ability to pay critical pre-filing obligations with approval of the Monitor:

21. The Initial Order entitles the Applicant to pay amounts owing for essential goods or services supplied to the Applicant prior to the Initial Order, if, in the opinion of the Monitor, the payment is necessary and appropriate.

22. The Applicant's location and the specialized nature of its business means that the Applicant is dependent on certain suppliers of specialized products and services. This provision is needed to provide the Applicant with the flexibility necessary to avoid major disruptions to its business, which would impair cash flow and restructuring efforts.

The Initial Order is limited to relief necessary to protect the going-concern business during the 10-day Initial Stay Period:

23. The Initial Order is limited to the relief necessary to maintain the status quo and protect the going-concern nature of the Applicant's business during the 10-day Initial Stay Period until the Comeback Hearing. The Initial Order will afford the Applicant the ability to continue to work on a viable restructuring under the supervision and with the assistance of the Monitor, which will be presented at a later date for Court approval.

The Applicant relies upon the following:

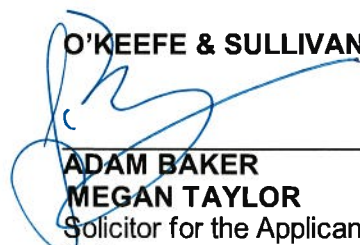
- (a) The Affidavit of Sheldon Cameron and the Proposed Monitor's Pre-Filing Report;
- (b) The provisions of the CCAA, including s. 11;
- (c) The *Rules of the Supreme Court, 1986*, including rules 3.03(1), 6.0 4(2) and 6.06;
- (d) The equitable jurisdiction of this Honourable Court;
- (e) Such further grounds as counsel may advise and this Honourable Court may permit.

RELIEF SOUGHT

24. The Applicant seeks a "first-day" Initial Order pursuant to the CCAA substantially in

the form attached as **Schedule "B"** to this Notice of Application, including the relief summarized in paragraph 1 of this Application. The proposed Initial Order is substantially in the form of the Model Order.

DATED at St. John's, Newfoundland and Labrador, this 3rd day of March 2025.


O'KEEFE & SULLIVAN

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TO: Counsel and parties listed in the Service List attached as **Schedule "A"**.

ISSUED at _____, in the Province of Newfoundland and Labrador, this ____ day of March 2025.

**SCHEDULE "A" SERVICE
LIST**

NEMORI FARMS LTD

**SCHEDULE "A"
MASTER SERVICE
LIST**

O'KEEFE & SULLIVAN LAWYERS 80 Elizabeth Ave Suite 202 St. John's, N.L., A1A 1W7 Megan Taylor mtaylor@okeefesullivan.com Adam G. Baker agbaker@okeefesullivan.com Counsel for the Applicants	GRANT THORNTON LTD Nova Centre, North Tower Suite 1000 -1675 Grafton Street, Halifax, NS B3J 0E9 Liam Murphy Liam.Murphy@doane.gt.ca The Proposed Monitor
Royal Bank of Canada Cox & Palmer Scotia Centre, 235 Water St suite 1100, St. John's, NL A1C 1B6 Griffith D. Roberts groberts@coxandpalmer.com	CANADA REVENUE AGENCY Shawinigan – Sud National Verification Collections Centre 4695 Shawinigan- Sud Boulevard Shawinigan QC G9P 5H9 Maeve Baird Maeve.Baird@justice.gc.ca
Department of Fisheries, Forest, & Agriculture 192 Wheeler's Road P.O. Box 2006 Corner Brook, NL A2H 0J1 Melanie Butler MelanieButler@gov.nl.ca	EY 5 Springdale St Suite 800, St. John's, NL A1E 2R1 Steve McLaughlin steven.j.mclaughlin@parthenon.ey.com

Bennington Financial Corp. 100-1465 North Service Rd E, Oakville, ON L6H 1A7 customerservice@benningtonfinancial.ca	Headline Holsteins Limited 191 Goose Arm Road Deer Lake, NL A8A 3J3
Meridian Onecap Credit Corp. 204-3185 Willingdon Green Burnaby, BC V5G 4P3	Vault Credit Corporation 41 Scarsdale Corporation Toronto ON M3B 2R2
Kubota Canada Ltd. 1155 Kubota Drive Pickering ON L1X 0H4	De Lage Landen Financial Services Canada Inc. 5046 Mainway, Unit 1 Burlington ON L7L 5Z1
Truro Agromart Limited 1959 Upper Water Street Suite 900 Halifax NS B3J 3N2 Canada 547 Onslow Road Upper Onslow NS B6L 5L3 Canada	MERIDIAN ONECAP CREDIT CORP. 204 - 3185 Willingdon Green Burnaby BC V5G4P3 Canada
Town Of Deer Lake 34 Reids Ln, Deer Lake, NL A8A 2A2	WORKPLACE NL PO Box 9000 St. John's, NL A1A 3B8

Email List

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SCHEDULE "B"
DRAFT CCAA INITIAL ORDER

2025 01G
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. (the "**Applicant**") for relief under s. 11 of the CCAA

INITIAL ORDER

THIS APPLICATION made by the Applicant pursuant to the CCAA for an Order substantially in the form filed with the Application was heard on ____ March, 2025;

ON READING the affidavit of Sheldon Cameron and the Exhibits attached thereto, the consent of Doane Grant Thorton Ltd. ("**GTL**") to act as Court-appointed monitor of the Applicant (in such capacity, the "**Monitor**"), and the Pre-Filing Report of GTL dated ____ March, 2025;

ON HEARING the submissions of counsel for the Applicant and such other counsel as were present, no one else appearing for any party although duly served as outlined in the affidavit of service.

SERVICE

1. **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

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, as defined and dealt with below (the "**Property**"). Subject to further Order of this Honourable Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicant 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 its Business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Applicant, shall be entitled to continue to utilize its 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 Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, 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 Applicant 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

Applicant in respect of these proceedings, at their standard rates and charges;

- (c) amounts owing for goods and services supplied to the Applicant, 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.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein the Applicant shall be entitled to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance, maintenance and security services and lease payments for farming equipment used in the operation of the Business; and
- (b) payment for goods or services supplied to the Applicant following the date of this Order.

7. **THIS COURT ORDERS** that the Applicant 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, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, 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 Applicant.

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

9. **THIS COURT ORDERS** that, except as specifically permitted herein the Applicant 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 Applicant to any of its 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.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the

foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant 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 Applicant, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant 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 lie

NO INTERFERENCE WITH RIGHTS

12. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Monitor and the Applicant, or leave of this Court.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and the Applicant or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

14. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order,

nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

APPOINTMENT OF MONITOR

16. **THIS COURT ORDERS** that GTL is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant 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.

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

- (a) monitor the Applicant's 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) advise, in consultation with the Applicant, in its preparation of the Applicant's cash flow statements and reporting;

- (d) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business, cashflow, and financial affairs or to perform its duties arising under this Order;
- (e) be at liberty to engage with Applicant's legal counsel or retain independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (f) perform such other duties as are required by this Order or by this Court from time to time.

18. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property but as Monitor shall take part 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 any part thereof.

19. **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.

20. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicant

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

21. **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.

22. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Applicant on a weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant reasonable retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

23. **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.

24. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Initial Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of **\$150,000.00**, 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 Initial Administration Charge shall have the priority set out herein.

DIRECTORS' AND OFFICERS' CHARGE

25. **THIS COURT ORDERS AND DECLARES** the directors and officers of the Applicant shall be entitled to and are hereby granted a charge (the "**D&O Charge**") on the Property in an amount not exceeding \$100,000.00, which D&O Charge shall not secure an obligation that exists before this Order is made. The D&O Charge shall have the priority set out in paragraphs 33 to 36 herein.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

33. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Lender's Charge, and the D&O Charge, as among them, shall be as follows:

First – Initial Administration Charge (to the maximum amount of **\$100,000**);

Second – D&O Charge (to the maximum amount of **\$100,000**)

34. **THIS COURT ORDERS** that the filing, registration or perfection of the Initial Administration Charge, DIP Lender's Charge, and the D&O 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.

35. **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, except for any secured creditor of the Applicant who did not receive notice of the application for this Order. The Applicant shall be entitled, on a subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Initial Administration Charge ahead of any Encumbrances over which the Initial Administration Charge has not obtained priority pursuant to this Order.

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

37. **THIS COURT ORDERS** that the Charges 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 Applicant.

38. **THIS COURT ORDERS** that the Charges created by this Order over leases of real property in Canada shall only be a charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

39. **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 Applicant of more than \$1,000.00, 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.

GENERAL

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

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

42. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, 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 Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

43. **THIS COURT ORDERS** that the Applicant 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.

44. **THIS COURT ORDERS** that a hearing for the balance of the relief sought by the Applicant in the Notice of Application is hereby scheduled before this Court on _____, 2025.

ISSUED by _____, on this ____ day of _____, 2025.

Draft Order compared to the Nova Scotia Model Order
[NSSC_PM Initial Order (4)]

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

20- No:

Supreme Court of Nova Scotia

- Application by - - - (the "Applicant")
for relief under IN THE MATTER OF the Companies' Creditors Arrangement Act

Initial Order

Before the Honourable Justice [name or blank] in chambers

The Applicant proposes to make a compromise or arrangement under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36-36 as amended Amended (the "CCAA") and it applied for an initial order and, now or in the future, other relief under the CCAA as may be sought on notice of motion.

The following parties received notice of this application:

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

;

INITIAL ORDER

The following parties, represented by the following counsel, made submissions:

Party	Counsel
Applicant	

;

On motion of the Applicant the following is ordered and declared:

THIS APPLICATION made by the Applicant pursuant to the CCAA for an Order substantially in the form filed with the Application was heard on ____ March, 2025;

ON READING the affidavit of Sheldon Cameron and the Exhibits attached thereto, the consent of Doane Grant Thorton Ltd. ("GTL") to act as Court-appointed monitor of the Applicant (in such capacity, the "Monitor"), and the Pre-Filing Report of GTL dated ____ March, 2025;

ON HEARING the submissions of counsel for the Applicant and such other counsel as were present, no one else appearing for any party although duly served as outlined in the affidavit of service.

~~Service~~ SERVICE

1. ~~The~~ THIS COURT ORDERS that the time for service of the ~~notice of application in chambers, and the supporting documents~~ Notice of Application and the materials filed, as set out in the affidavit of service is hereby deemed adequate notice¹ so that ~~the motion~~ this Application is properly returnable today ~~—[and hereby dispenses with further service thereof—~~ hereby dispensed with]².

~~Application~~ APPLICATION

2. ~~The~~ THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies³.

~~Plan of Arrangement~~

¹ ~~The Applicant should seek to have service deemed adequate if it was done in a manner other than as authorized by the Rules of Court.~~

² ~~This provision should only be used when all parties entitled to notice have been served with notice of the application. If all parties entitled to notice have not been served then the section should be deleted and the Initial Order should provide for a motion hearing.~~

³ ~~If there are multiple applicants, the Order should confirm that the applicants are "affiliated debtor companies" within the meaning of the CCAA.~~

POSSESSION OF PROPERTY AND OPERATIONS

~~3. The Applicant, in consultation with the Monitor, 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 (the "Plan").~~

~~Possession of Property and Operations~~

~~3.~~ ~~4. The~~ THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, as defined and dealt with below (the "**Property**"). Subject to further ~~order~~ Order of this Honourable Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of ~~its~~ their business (the "**Business**") and Property. The Applicant ~~shall be~~ 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") ~~and the employees~~ currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of ~~business~~ its Business or for the carrying out of the terms of this Order.

~~4.~~ THIS COURT ORDERS that the Applicant, shall be entitled to continue to utilize its 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 Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, 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. ~~⁴The~~THIS COURT ORDERS that the Applicant ~~may~~shall be entitled to pay the following expenses whether incurred prior to or after this Order:

- (a) ~~a.~~ all outstanding and future wages, salaries, employee and pension benefits, vacation pay, ~~and expenses payable to employees who continue to provide service on or after the date of this Order (“Active Employees”), in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and~~
- ~~b. all existing and future employee health, dental, life insurance, short and long term disability and related benefits (collectively, the “Group Benefits”) payable on or after the date of this Order to Active Employees, in each case incurred in the ordinary course of business and consistent with existing policies and arrangements or such amended policies and arrangements as are necessary or desirable to deliver the existing Group Benefits;~~
- (b) ~~e. with prior written approval of the Monitor,~~ the fees and disbursements ~~for~~of any Assistants retained or employed by the Applicant in respect of these proceedings, at their ~~reasonable~~ standard rates and charges;²
- (c) amounts owing for goods and services supplied to the Applicant, if in the

⁴ If the Applicant has a central cash management system, the provision below may be inserted in advance of paragraph 5 above. This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of Applicant. Specific attention should be paid to cross-border and inter-company transfers of cash. If there are multiple Applicant companies, it may be appropriate to create an inter-company charge that provides a charge against the assets of one applicant company for any amount advanced from another applicant company.

~~“5. The Applicant shall be entitled to continue to utilize the central cash management system currently in place as described in the Affidavit of — - or replace it with another substantially similar central cash management system (the “Cash Management System”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.”~~

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.

6. ~~Except~~ THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant ~~may~~ shall be entitled to pay all reasonable expenses incurred by the Applicant 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) ~~a.~~ all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance ~~including directors and officers insurance,~~ maintenance, and security services and lease payments for farming equipment used in the operation of the Business; and
- (b) ~~b.~~ payment for goods or services ~~actually~~ supplied to the Applicant following the date of this Order.

7. ~~The~~ THIS COURT ORDERS that the Applicant shall remit ~~or pay,~~ in accordance with legal requirements, ~~or on terms as may be agreed to between the Applicant and the applicable authority~~ pay:

- (a) ~~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, ~~(ii)~~ Canada Pension Plan, ~~(iii)~~ Quebec Pension Plan, and ~~(iv)~~ income taxes;
- (b) ~~b.~~ all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, ~~or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;~~ and
- (c) ~~c.~~ any amount payable to the Crown in right of Canada or of any Province ~~or~~

~~any regulatory or administrative body or any other~~thereof or any political subdivision thereof or any other taxation authority,~~in all cases~~ in respect of municipal realty, municipal business,~~or other taxes, assessments or levies of any nature or kind which are:~~~~i)~~ entitled at law to be paid in priority to claims of secured creditors;~~ii)~~ and which are attributable to or in respect of the ~~ongoing~~carrying on of the Business ~~carried on~~ by the Applicant;~~and iii)~~ payable in respect of the period commencing on or after the date of this Order.

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

9. ~~Except~~THIS COURT ORDERS that, except as specifically permitted herein ~~or by further order of this Court~~⁶, the Applicant is hereby directed, until further ~~order~~Order of this Court: ~~i(a)~~ to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date ~~without prior written consent of the Monitor;~~ ~~ii;~~ (b) to grant no security interests, ~~trusts~~trust, liens, charges,~~or~~ or encumbrances upon or in respect of any of ~~its~~their Property; and ~~iii(c)~~ to not grant credit or incur liabilities except in the ordinary course of the Business ~~or with the prior written approval~~

⁵ ~~The term "resiliate" should be included if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

⁶ ~~This language is inserted to clearly allow for payments which may be authorized by the Court under a companion charging order or otherwise.~~

of the Monitor.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

Restructuring

10. The Applicant shall, subject to such requirements as are imposed by the Monitor and under any agreements for debtor in possession financing which may be granted, have the right to:

- a. permanently or temporarily cease, downsize or shut down any of its business or operations;
- b. *[terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate and, as applicable, in accordance with the terms of any collective agreement];*⁷
- c. pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any refinancing; and
- d. in accordance with its ordinary course of business, dispose of redundant or nonmaterial assets not exceeding \$— in value.

No Proceedings Against the Applicant or the Property

~~11~~10. Until THIS COURT ORDERS that until and including ~~the day of, 20—~~ [no more than 30 days]— 2025, or such later date as this Court may order (the "Stay Period"), no ~~claim, grievance, application, action, suit, right or remedy, or~~ proceeding or enforcement process in any court; or tribunal; ~~or arbitration association~~ (each, a "Proceeding") shall be commenced; or continued; ~~or enforced~~ against or in respect ~~of any~~ of the Applicant or the Monitor, or affecting the Business or the Property; except with the written consent of the ~~Applicant~~Monitor and the ~~Monitor~~Applicant, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further ~~order~~Order of this Court.

⁷ Reference should be made to section 33 of the CCAA.

No Exercise of Rights or Remedies

NO EXERCISE OF RIGHTS OR REMEDIES

~~12~~11. During **THIS COURT ORDERS that during** the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Monitor and the ~~Monitor~~Applicant, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by ~~section~~Section 11.1 of the CCAA; (iii) ~~exempt the Applicant from compliance with statutory or regulatory provisions relating to health, safety, or the environment;~~ (iv) prevent the filing of any registration to preserve or perfect a security interest; ~~or (iv) prevent the registration of a claim for lien and the related filing of an action to preserve the right of a lien holder, provided that the Applicant shall not be required to file a defence during the stay period.~~ lie

No Interference with Rights

NO INTERFERENCE WITH RIGHTS

~~13~~12. During **THIS COURT ORDERS that during** the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by the Applicant, ~~including but not limited to renewal rights in respect of existing insurance policies on the same terms,~~ except with the written consent of the ~~Applicant~~Monitor and the ~~Monitor~~Applicant, or leave of this Court.

~~Continuation of Services~~ CONTINUATION OF SERVICES

~~14~~13. During **THIS COURT ORDERS that during** the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility,

or other services to the Business or the Applicant, are hereby restrained until further ~~order~~Order of this Court from discontinuing, altering, interfering with~~;~~ or terminating the supply of such goods or services as may be required by the Applicant, and the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses~~;~~ and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this

Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and ~~each~~ of the Applicant ~~and the Monitor;~~ or as may be ordered by this Court.

~~Non-Derogation of Rights~~ NON-DEROGATION OF RIGHTS

~~15~~14. ~~Notwithstanding~~ THIS COURT ORDERS that, notwithstanding anything else ~~contained herein~~in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of ~~leased~~lease or licensed property~~;~~ or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. ⁸Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

~~Proceedings Against Directors and Officers~~

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

~~16~~15. ~~During~~ THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current~~;~~ or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant 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

⁸ ~~The Order must conform with the provisions of the CCAA. Particular attention should be paid when drafting the Order as a number of actions or steps cannot be stayed and the stay is subject to certain limits and restrictions under the CCAA. See, for example, CCAA sections 11.01, 11.04, 11.06, 11.07, and 11.08, and subsections 11.1(2) and 11.5(1).~~

obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court, ~~these proceedings are dismissed by final order of this Court, or with leave of this Court.~~

~~Appointment of Monitor~~ APPOINTMENT OF MONITOR

~~17.~~ 16. THIS COURT ORDERS that GTL is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the ~~Business~~ business and financial affairs of the Applicant, ~~the Property, and the~~

~~Applicant's conduct of the Business~~ with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, ~~employees~~ and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, ~~cooperate~~ and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations, ~~and~~ provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the ~~Monitor's~~ Monitor's functions.

~~18. The~~ 17. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) ~~a.~~ monitor the ~~Applicant's~~ Applicant's receipts and disbursements;

(b) ~~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, ~~the activities of the~~ and such other matters as may be relevant to the proceedings herein;

~~Applicant, and such other matters as may be relevant to the proceedings herein;~~

~~c. advise the Applicant in its development of the Plan and any amendments to the Plan, and, to the extent deemed appropriate by the Monitor, assist in its negotiations with creditors, customers, vendors, and other interested Persons;~~

~~d. assist the Applicant, to the extent deemed appropriate by the Monitor, with the holding and administering of creditors' or shareholders' meetings for voting on the~~

~~Plan;~~

(c) advise, in consultation with the Applicant, in its preparation of the Applicant's cash flow statements and reporting;

(d) ~~e-~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents ~~and to the Business~~ of the Applicant, to the extent that is necessary to adequately assess the ~~Applicant's Business~~ Applicant's business, cashflow and financial affairs or to perform its duties arising under this Order;

(e) ~~f-~~ be at liberty to engage with Applicant's 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, ~~including any affiliate of, or person related to the Monitor;~~ and ~~g. develop a claims process to ascertain the quantum of the claims of all creditors;~~ and

(f) ~~h. be at liberty to~~ perform such other duties as are required by this Order or by this Court from time to time.

~~19. The~~18. **THIS COURT ORDERS that the** Monitor shall not take possession of the Property ~~and but as Monitor~~ 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.

~~20. Nothing herein contained shall limit the protections afforded the Monitor at law including those protections set out in the CCAA.~~

19. **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.

~~21. The~~20. **THIS COURT ORDERS that the** Monitor shall provide any creditor of the Applicant ~~or a potential Debtor In Possession lender ("DIP Lender")~~ with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor ~~or a DIP Lender~~ addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors ~~or a DIP Lender~~ unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

21. **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.

~~22. The~~22. **THIS COURT ORDERS that the** Monitor, counsel to the Monitor, and ~~all~~ counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case ~~not to exceed~~at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Applicant on a ~~—[monthly/semi-annual/other]—~~weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, reasonable retainers ~~in the amounts of \$ —, \$ —, and \$ — respectively~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

23. **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.

~~23. The Monitor and its legal counsel shall pass their accounts from time to time before a judge of this court or a referee appointed by a judge.~~

~~{Administrative Charge⁹}~~

~~24. The~~ 24. THIS COURT ORDERS that the Monitor, ~~the Monitor's~~ counsel to the Monitor, and the Applicant's counsel ~~(collectively, the~~ "Chargées") shall be entitled to the benefit of and are hereby granted a charge (the "Initial Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$150,000.00, as security for their professional fees and disbursements incurred at ~~the~~ their respective standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Initial Administration Charge shall have the priority set out herein.

DIRECTORS' AND OFFICERS' CHARGE

25. THIS COURT ORDERS AND DECLARES the directors and officers of the Applicant shall be entitled to and are hereby granted a charge (the "D&O Charge") on the Property in an amount not exceeding \$100,000.00, which D&O Charge shall not secure an obligation that exists before this Order is made. The D&O Charge shall have the priority set out in paragraphs 33 to 36 herein.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

33. THIS COURT ORDERS that the priorities of the Administration Charge, the DIP Lender's Charge, and the D&O Charge, as among them, shall be as follows:

First – Initial Administration Charge (to the maximum amount of \$100,000):

⁹ ~~If a companion CCAA Charging Order is not granted, these provisions may be used to provide for an interim Administrative Charge.~~

Second – D&O Charge (to the maximum amount of \$100,000)

~~25. The~~^{34.} THIS COURT ORDERS that the filing, registration or perfection of the Initial Administration Charge, DIP Lender's Charge, and the D&O Charge (collectively, the "Charges") shall not be required, and ~~the Administration Charge~~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 ~~Administration Charge~~Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

~~26. The Administration Charge~~^{35.} THIS COURT ORDERS that the Charges shall constitute a charge on the Property and shall rank in priority to ~~claims of the following secured creditors: — [name secured creditors who have received notice as required by CCAA section 11.52 and over whom priority is sought] — and in priority to any other~~all other security interests, trusts, liens, charges, and encumbrances ~~and~~ claims of secured creditors, statutory or otherwise, (collectively, "Encumbrances") in favour of any Person.

~~27.~~ except for any secured creditor of the Applicant who did not receive notice of the application for this Order. The Applicant ~~and the Chargees~~ shall be entitled, ~~upon giving on a subsequent motion on~~ notice to ~~parties~~those Persons likely to be affected thereby, to seek ~~an order changing the amount~~priority of the Initial Administration Charge ~~or providing that the Administrative Charge shall rank in priority to secured creditors not named in paragraph 26~~ahead of any Encumbrances over which the Initial Administration Charge has not obtained priority pursuant to this Order.

~~28. Except~~^{36.} THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any ~~encumbrance~~Encumbrances over any Property that ~~ranks~~rank in priority to, or *pari passu* with the Initial Administration Charge or Directors Charge, unless the Applicant also obtains the prior written consent of the Monitor and of the applicable chargee(s) entitled to the benefit of the Initial Administration Charge or Directors Charge (collectively, the "Chargees"), or further ~~order~~Order of this Court.

~~29. The Administration Charge~~^{37.} THIS COURT ORDERS that the Charges 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 ~~a~~ bankruptcy order~~(s)~~ issued pursuant to ~~the~~ 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; ~~or~~ (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions, or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, sublease, offer to lease, or other agreement (collectively, an "Agreement") which binds the Applicant, ~~and notwithstanding any provision to the contrary in any Agreement:-~~

38. THIS COURT ORDERS that the Charges created by this Order over leases of real property in Canada shall only be a charge in the Applicant's interest in such real property leases.

~~a. the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is 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 Applicant seeking the creation of the Administration Charge; and~~

~~c. the payments made by the Applicant pursuant to this Order do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.~~

}

~~Service and Notice~~ SERVICE AND NOTICE

~~30. The~~ 39. THIS COURT ORDERS that the Monitor shall: ~~i) without delay, publish in a notice containing the information prescribed under the CCAA, ii) within five days after the date of this Order,~~ (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner by electronic means, a notice to every known creditor who has a claim against the Applicant of more than \$~~1,000~~ 1,000.00, 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~~Section 23(1)(a) of the CCAA and the regulations made thereunder.

~~31. The Applicant and the Monitor may give notice of this Order, any other materials and orders in these proceedings, and any notices, and provide correspondence, by forwarding originals or true copies by prepaid ordinary mail, courier, personal delivery, or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and any such notice by courier, personal delivery, or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.~~

~~32. The Applicant and the Monitor, and any party who has filed a demand of notice may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsel's e-mail addresses as recorded on the service list from time to time, and the Monitor may post a copy of any or all such materials on its website at .com.~~

~~General~~GENERAL

~~33. The Applicant or~~40. THIS COURT ORDERS that the Monitor and the Applicant may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

~~34. Nothing~~41. 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, ~~construction lien trustee,~~ or a trustee in bankruptcy of the Applicant, the Business or the Property.

~~35. The~~42. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction ~~outside Nova Scotia, is requested~~in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, ~~and~~ regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an

officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

~~36. Each of~~ 43. THIS COURT ORDERS that the Applicant and the Monitor ~~may be at liberty and is hereby authorized and empowered to~~ apply to any court, tribunal, ~~or~~ 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 ~~may~~ 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.

44. THIS COURT ORDERS that a hearing for the balance of the relief sought by the Applicant in the Notice of Application is hereby scheduled before this Court on _____, 2025.

ISSUED by _____, on this _____ day of _____, 2025.

~~37. Any interested party, including the Applicant and the Monitor, may apply to this Court to vary or amend this Order on such notice required under the Civil Procedure Rules or as this Court may order.~~

~~38. This Order and all of its provisions are effective as of [a.m./p.m.] [Atlantic Standard/Atlantic Daylight Saving] Time on the day of , 20~~

~~Issued~~ , 20

~~Prothonotary~~

Summary report: Litera Compare for Word 11.5.0.74 Document comparison done on 2025-03-03 4:42:53 PM	
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Intelligent Table Comparison: Active	
Original filename: NSSC_PM8_Initial_Order (4).doc	
Modified filename: Nemori Farms Ltd. Order [FINAL] 03 Mar 25.docx	
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<u>Add</u>	207
Delete	321
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	1
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	529