

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., 1935 c. C-36 as Amended (the "**CCAA**"); and

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

NOTICE OF MOTION

1. The Applicant in this proceeding is applying to a judge for an order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), which, *inter alia*:
 - (a) abridges the time for service of the motion and the materials filed in support thereof, and dispensing with further service thereof;
 - (b) approves an increase in the Administration Charge from \$175,000.00 to \$250,000.00;
 - (c) pending approval from the DIP Lender, approval of an increase in the available borrowings under the DIP Agreement with the DIP Lender to \$825,000.00, with an associated increase to the DIP Charge to \$825,000.00;
 - (d) approves the Sales and Investment Solicitation Process (the "**SISP**") attached to the Draft Order; and
 - (e) extends the stay of proceedings (the "**Stay Period**") granted under the Amended and Restated Initial Order (the "**ARIO**") to 30 June 2025, to coincide with the timeline indicated in the SISP.
 - (f) In the alternative, if the Applicant needs additional time to negotiate an amended DIP Term Sheet with the DIP Lender or to negotiate an alternative DIP loan facility, the Applicant will, subject to the Court's confirmation of a return date, seek an extension of the Stay Period up to that date, whereupon

it will return to Court to seek the anticipated DIP increase/approval.

2. The proposed SISP accords with subsections 36(1) and (3) of the CCAA, the *Soundair* test, and is in the best interest of all stakeholders. This will be confirmed by the Monitor.
3. The Applicant has acted in good faith and with due diligence throughout this CCAA proceeding since the granting of the Initial Order and will continue to do so throughout the SISP period.
4. The extension of the Stay Period will allow the Applicant to continue to operate in the ordinary course while the SISP is underway.
5. The Applicant will continue to have conversations with the DIP Lender regarding the increase in DIP required to operate throughout the SISP, as well as with an alternative DIP loan provider. If the Applicant is unable to agree with the DIP Lender prior to the hearing scheduled for 24 April 2025, the Applicant will seek a return date from the Court on that date whereupon it will seek approval of the increase in DIP.
6. The increases to the Administration Charge and the DIP financing limit (and corresponding DIP Charge), are both reasonable and necessary to enable the Applicant to continue operating as a going concern under CCAA protection while carrying out the SISP, which is in the best interests of the Applicant's stakeholders.

References

The moving party relies on the following legislation:

- (a) The provisions of the CCAA generally, including s. 11 thereof; and
- (a) such further and other grounds as counsel may advise and this Honourable Court may permit.

Evidence

The evidence in support of the motion is as follows:

- (a) Monitor's Second Report, to be filed 22 April 2025;
- (b) 03 March 2025 Affidavit of Sheldon Cameron; and
- (c) Such further and other evidence as counsel may advise and this

Honourable Court may permit.

Signed this 22 day of April, 2025.



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To the Service List attached hereto as **Schedule "A"**

SCHEDULE "A"
SERVICE LIST

NEMORI FARMS LTD

**SCHEDULE "A"
MASTER SERVICE
LIST**

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