

SUPREME COURT OF NOVA SCOTIA

**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 AND ARRANGEMENT OF BLUE
LOBSTER CAPITAL LIMITED, 3284906 NOVA SCOTIA LIMITED, 3343533 NOVA
SCOTIA LIMITED AND 4318682 NOVA SCOTIA LIMITED**

**TENTH REPORT OF ALIXPARTNERS RESTRUCTURING, INC. (FORMERLY KSV
RESTRUCTURING INC.)
AS MONITOR**

August 10, 2026

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1.0 Introduction

1. Pursuant to an Initial Order issued by the Supreme Court of Nova Scotia (the "**Court**") on December 13, 2024 (the "**Filing Date**"), Blue Lobster Capital Limited ("**BLCL**"), 3284906 Nova Scotia Limited ("**Spirit Co**"), 3343533 Nova Scotia Limited ("**Lost Bell**") and 4318682 Nova Scotia Limited ("**Annapolis Cider**", together with Spirit Co and Lost Bell, the "**Operating Companies**" and with BLCL, the "**Applicants**") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and KSV Restructuring Inc. ("**KSV**")¹, now AlixPartners Restructuring, Inc. ("**AlixPartners**") was appointed monitor in the CCAA proceedings (the "**Monitor**").
2. The comeback motion (the "**Comeback Motion**") in the CCAA proceedings was heard on December 20, 2024. At the Comeback Motion, the Court issued an Amended and Restated Initial Order (the "**ARIO**"), which extended the stay of proceedings (the "**Stay**") to and including March 8, 2025 and set a hearing on January 21, 2025 to consider approval of a debtor-in-possession financing facility to fund the operations of the Operating Companies and the costs of these proceedings (the "**DIP Facility**"). A copy of the ARIO is provided in **Appendix "A"**.
3. On January 21, 2025, the Court issued an Order, which approved the DIP Facility in the amount of \$300,000 and granted a charge in this amount in favour of Royal Bank of Canada ("**RBC**"), the Operating Companies' senior lender.

¹ Effective June 1, 2026, KSV became AlixPartners. The professionals involved in this mandate from the outset remain unchanged.

4. On March 7, 2025, the Court issued an Order which:
 - a) approved a sale and investment solicitation process to be carried out by the Monitor (the "**SISP**"); and
 - b) extended the Stay to and including June 30, 2025.
5. The Stay has subsequently been extended several times and presently expires on September 9, 2026.
6. The sale approval motion in the CCAA proceedings was heard on July 7, 2025 (the "**Sale Approval Motion**"). On July 17, 2025, the Court issued the following Orders:
 - a) an Approval and Vesting Order, which:
 - i. approved a transaction (the "**Lynch Transaction**") between Spirit Co and Annapolis Cider, as vendors, as represented by the Monitor, and Shannon Theresa Lynch, on behalf of a corporation to be incorporated, as purchaser ("**Lynch**"), for the business and assets of Spirit Co and Annapolis Cider, pursuant to an asset purchase agreement dated May 31, 2025 (the "**Lynch APA**"); and
 - ii. vested the Purchased Assets (as defined in the Lynch APA) in Lynch, free and clear of encumbrances, upon execution and delivery of a certificate by the Monitor confirming completion of the Lynch Transaction;
 - b) an Approval and Vesting Order, which:
 - i. approved a transaction (the "**Coast Transaction**") between Lost Bell, as vendors, as represented by the Monitor, and Coast to Coast Marketing Ltd. and James Roue Beverage Company Ltd., as purchasers (together, "**Coast**", and together with Lynch, the "**Purchasers**"), for the business and assets of Lost Bell,

pursuant to an asset purchase agreement dated May 9, 2025 (the "**Coast APA**"); and

- ii. vested the Purchased Assets (as defined in the Coast APA) in Coast, free and clear of encumbrances, upon execution and delivery of a certificate by the Monitor confirming completion of the Coast Transaction; and

- c) an ancillary Order (the "**July 17th Ancillary Order**") expanding the Monitor's powers to:

- i. execute the Lynch Transaction and the Coast Transaction;
- ii. approve the Operating Companies' receipts and disbursements; and
- iii. perform such other activities as may be required to realize on the Operating Companies' remaining assets, including the real properties owned by BLCL (the "**BLCL Real Properties**").

- 7. The Monitor closed the Lynch Transaction and the Coast Transaction on August 8, 2025.
- 8. On September 16, 2025, the Court issued an order (the "**September 16th Order**") that addressed, *inter alia*, the rights of Alexander Rice ("**Mr. Rice**"), the President of the Operating Companies, in the sale process for the BLCL Real Properties, the date by which any person residing at the BLCL Real Properties was required to vacate those properties (being September 16, 2025), and the date by which the Monitor would assume control of the sale process for those properties (also September 16, 2025). A copy of the September 16th Order is attached as **Appendix "B"**.

9. On October 22, 2025, the Court issued the following Orders:
- a) a claims procedure Order (the “**Claims Procedure Order**”), which, among other things, approved the procedure (the “**Claims Procedure**”) for soliciting and determining claims against the Applicants; and
 - b) an ancillary Order, which, among other things, approved the activities of the Monitor to October 15, 2025 and extended the Stay to and including January 31, 2026.
10. On November 14, 2025, the Court issued the following Orders:
- a) an Approval and Vesting Order, which, among other things:
 - i. approved a transaction (the “**Brunswick Transaction**”, together with the Lynch Transaction and the Coast Transaction, the “**Transactions**”) between BLCL, as represented by the Monitor, and Ashley MacLeod and Danae Harvalias (the “**Brunswick Property Purchasers**”), for the property located at 2138 Brunswick Street, Halifax, Nova Scotia (the “**Brunswick Property**”) pursuant to an agreement of purchase and sale dated October 15, 2025; and
 - ii. vested the Brunswick Property in the Brunswick Property Purchasers, free and clear of encumbrances, upon execution and delivery of a certificate by the Monitor confirming completion of the Brunswick Transaction; and
 - b) an Ancillary Order, which, among other things, authorized the Monitor to make distributions to RBC up to the amount of the debt owing to it by BLCL from the proceeds of the Brunswick Property Transaction.

11. The Monitor closed the Brunswick Property Transaction on December 1, 2025 and RBC was repaid, in full, from the sale proceeds shortly thereafter.
12. On January 27, 2026, the Court issued a stay extension order, which approved the activities of the Monitor to January 22, 2026 and extended the Stay to and including April 30, 2026.
13. On March 23, 2026, the Court issued a distribution and ancillary order (the "**March 23rd Ancillary Order**") which, among other things:
 - a) authorized the Monitor to make the following distributions:
 - i. to Suzanne Corkum ("**Corkum**"), as mortgagee, in respect of a mortgage dated January 21, 2021 between Lost Bell and Corkum (the "**Corkum Mortgage**") on the real property located at 61 Dudley Park Lane, Upper Falmouth, Nova Scotia (the "**Dudley Property**"); and
 - ii. to Beck Flavors Inc. ("**Beck**") in the amount of \$125,000 in respect of a claim filed against Spirit Co (the "**Beck Claim**", and the settlement of the Beck Claim, the "**Beck Settlement**"); and
 - b) extended the Stay to and including June 30, 2026;
14. The Monitor has (i) repaid the Corkum Mortgage in full and (ii) paid Beck the Beck Settlement amount.
15. On June 25, 2026, the Court issued a stay extension order which, among other things, extended the stay until and including September 9, 2026.
16. The Court materials filed in these proceedings, including the affidavits sworn by Mr. Rice and the Monitor's reports filed in these proceedings can be found on the Monitor's website at <https://www.ksvadvisory.com/experience/case/blue> (the "**Case Website**").

1.1 Purposes of this Report

1. The purposes of this report (the “**Tenth Report**”) are to:
 - a) provide background information about these CCAA proceedings;
 - b) provide an update on the status of the RBC Debt Repayment (as defined below), the primary outstanding matter being addressed between the Monitor and the Applicants’ counsel, which, when resolved, will allow these proceedings to be completed;
 - c) summarize the Monitor’s activities since its ninth report to Court dated June 15, 2026 (the “**Ninth Report**”); and
 - d) discuss and provide the Monitor’s recommendation that the Court issue an Order (the “**Settlement Approval, Direction and Ancillary Relief Order**”):
 - i. approving the settlement (the “**Fee Allocation Settlement**”) entered into between the Monitor and the BLCL Parties;
 - ii. providing direction on the RBC Debt Repayment (as defined below); and
 - iii. approving this Tenth Report and the Monitor’s activities described herein.

1.2 Restrictions

1. In preparing this Tenth Report, the Monitor has relied upon the Operating Companies’ unaudited financial information, financial forecasts, books and records and discussions with a former employee of the Operating Companies who has been retained by the Monitor to assist it with administrative matters.

2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Tenth Report in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party other than the Court wishing to place reliance on the Operating Companies’ financial information should perform its own diligence.

2.0 Background

1. The Operating Companies are private companies incorporated under the laws of Nova Scotia.
2. Prior to these proceedings, the primary business of the Operating Companies was manufacturing and selling alcoholic beverages (including Ready-To-Drink beverages), such as spirits, wine and cider.
3. BLCL is primarily a real estate investment company which owned the following BLCL Real Properties as of the Filing Date:

Address	Property Type
14 Allan Ave., Stellarton, Nova Scotia	Residential – Duplex
140 George St., Stellarton, Nova Scotia	Heritage Commercial Property; presently vacant
18 Claremont Ave., Stellarton, Nova Scotia	Residential – Single Family Home; presently vacant
2138 Brunswick St., Halifax, Nova Scotia	Residential – Single Family Home
224 Old Post Rd., Crapaud, Prince Edward Island	9,000 square foot Warehouse
61/63 Provost St., New Glasgow, Nova Scotia	4-unit Corporate Office Space – the Operating Companies’ head office

4. As noted, the Monitor completed a sale of the Brunswick Property on December 1, 2025; however, all other BLCL Real Properties and the real property municipally known as MNZ-3 Lot Black River Road, PID #55450050 (the “**Lost Bell Property**” and with the BLCL Real Properties, the “**Applicants’ Real Properties**”) remain unsold and, with the exception of the Lost Bell Property, the Monitor has suspended their marketing pending resolution of the Outstanding Issues (as defined below).
5. As discussed in the Seventh Report (which can be found on the Monitor’s website), the Monitor conducted the Claims Procedure in accordance with the Claims Procedure Order.

3.0 Updates on Outstanding Issues

1. In recent months, the Monitor has been working to resolve several outstanding matters necessary to conclude these proceedings, including: (a) distributions to the Applicants’ creditors in these proceedings; and (b) the allocation between the Operating Companies and BLCL of (i) fees and costs of the Monitor, the Monitor’s legal counsel and the Applicants’ counsel incurred in these proceedings (the “**Fee Allocation**”), and (ii) a debt repayment made by BLCL to RBC prior to the commencement of these proceedings (the “**RBC Debt Repayment**”) and whether the RBC Debt Repayment should be allocated to the Spirit Co (as was done by RBC) or BLCL (as proposed by the BLCL parties) (collectively, the “**Outstanding Issues**”). Since the Ninth Report, the Monitor and the BLCL Parties have reached a consensual resolution of the Fee Allocation issue. As a result, the only material issue requiring determination in these proceedings is the RBC Debt Repayment issue.

3.1 Fee Allocation Settlement

1. To date, most of the costs of the CCAA proceedings have been funded by the Operating Companies. In the Monitor's view, BLCL should be allocated a portion of the fees and costs of these proceedings given the substantial benefits it obtained therefrom.
2. Since the date of the Ninth Report, the Monitor has entered into a settlement agreement dated July 8, 2026 (the "**Fee Allocation Settlement**") with BLCL and Mr. Rice (together, the "**BLCL Parties**") resolving the Fee Allocation, which remains subject to Court approval.
3. Under the Fee Allocation Settlement, the BLCL Parties have agreed to jointly and severally pay \$200,000 to the Monitor, to be held in trust pending Court approval of the Fee Allocation Settlement.
4. The Fee Allocation Settlement further provides that the Monitor shall retain \$100,000 from the cash proceeds currently held by the Monitor in trust from the sale of the Brunswick Property, and shall distribute the balance being held by the Monitor in respect of BLCL (\$11,496 as of the date of this Report) to the BLCL Parties following Court approval of the Fee Allocation Settlement.
5. The BLCL Parties have also agreed to assume and satisfy in full all unsecured claims against BLCL, estimated to be approximately \$259,000, as well as all unpaid operating costs of BLCL incurred during the CCAA proceedings, estimated to be approximately \$10,000, in each case within 90 days following Court approval of the Fee Allocation Settlement. The BLCL Parties bear the payment risk if the actual amount owing in respect of any of these obligations is greater than estimated. They are also entitled to any surplus if these obligations are less than estimated.
6. The proposed Settlement Approval, Direction and Ancillary Relief Order also requires that Mr. Rice, on behalf of himself and the BLCL Parties, to provide the Monitor with a signed declaration confirming that the BLCL Parties have satisfied these obligations in full.

7. The proposed Order further provides that the BLCL Parties will remain liable for all claims and liabilities that accrued on or before the date of the proposed Order but were unascertained and unpaid within the 90-day period, as well as any claims or liabilities accruing thereafter. The professional fees and costs of the Monitor, the Monitor's legal counsel and the Applicants' legal counsel incurred in connection with these CCAA proceedings are excluded and will be governed exclusively by the Fee Allocation Settlement. Upon receipt of the settlement payment and the signed declaration, and confirmation by the Monitor that the BLCL Parties have satisfied the assumed unsecured claims and accrued liabilities in full, the Monitor will release its interest in the remaining BLCL Real Properties and will have no further authority to sell those properties. If those amounts are not satisfied within 90 days of Court approval of the Fee Allocation Settlement, the Monitor will retain authority to sell the BLCL Real Properties as it reasonably determines is necessary to satisfy the outstanding amounts, including realization costs.
8. The Fee Allocation Settlement also provides for mutual releases between the Monitor and the BLCL Parties solely in respect of the Fee Allocation, while expressly preserving all claims, rights and obligations in respect of the RBC Debt Repayment.
9. In the Monitor's view, the Fee Allocation Settlement avoids the cost and delay of litigating that issue, secures a meaningful contribution from the BLCL Parties toward the costs of these proceedings, addresses BLCL-specific unsecured claims and accrued liabilities, and will assist in advancing these proceedings toward a distribution to creditors. The Monitor has been cognizant that litigating this matter would likely consume the balance of the monies available for distribution to unsecured creditors, and this settlement addresses that risk.

3.2 RBC Debt Repayment

1. The RBC Debt Repayment relates to a pre-filing repayment in the amount of \$345,000 by BLCL to RBC resulting from the sale of BLCL's condominium located at 225 Prince Street, Charlottetown, Prince Edward Island (the "**Charlottetown Property**").
2. The Monitor understands that in or around July 2024, RBC applied the net sale proceeds (the "**Sale Proceeds**") from the sale of the Charlottetown Property to reduce the indebtedness of Spirit Co rather than BLCL's indebtedness. The BLCL Parties take the position that such debt repayment should be applied to BLCL's indebtedness.
3. RBC has been repaid in full in these proceedings. The allocation of these pre-filing repayments is relevant to the distribution of the remaining assets of the Applicants. Specifically, if the Sale Proceeds are allocated to BLCL (and not to Spirit Co), distributions to unsecured creditors of the Operating Companies would be reduced, and the Operating Companies would need to reimburse BLCL for the amounts it paid to RBC in respect of this issue, which would result in amounts remaining for the equity holders of BLCL. Conversely, if the Sale Proceeds are allocated to Spirit Co (as was done by RBC), recoveries for its unsecured creditors would increase.
4. The facts giving rise to the RBC Debt Repayment occurred prior to the commencement of these CCAA proceedings. As such, the Monitor's understanding of the facts giving rise to the RBC Debt Repayment is based on information that the Monitor has requested from the Applicants and RBC, and is not based on the Monitor's firsthand knowledge or involvement.

3.3 Background

1. RBC provided financing to BLCL pursuant to a Credit Agreement dated January 18, 2021, as amended and restated on August 10, 2021. The BLCL facilities were secured by, among other things, a general security agreement, guarantees from Mr. Rice, a guarantee from Spirit Co, and various collateral mortgages and assignments of rent, including security over the Charlottetown Property.
2. RBC also provided financing to Spirit Co pursuant to a Loan Agreement dated January 18, 2021, as amended and restated on May 28, 2021 and May 26, 2023, for four separate facilities that were supported by their own security package, including a general security agreement, personal guarantees, guarantees from Lost Bell and Annapolis Cider, and various collateral mortgages and assignments of rents.
3. On February 7, 2024, RBC issued demands for payment and Notices of Intention to Enforce a Security under section 244 of the *Bankruptcy and Insolvency Act* (Canada) to each of BLCL and the Operating Companies. On that same date, RBC also issued demands to various guarantors under the credit agreements.
4. On February 26, 2024, RBC entered into forbearance agreements with each of BLCL and the Operating Companies (the “**Op Co Forbearance**” and collectively, the “**Forbearance Agreements**”). The Forbearance Agreements provided for an expiry date of April 26, 2024, unless RBC agreed to a further extension, at which time RBC could pursue its remedies and demand payment of amounts owing. The Forbearance Agreements required banking transactions, including deposits from asset sales, to continue through RBC, and also required certain additional security. Under the Op Co Forbearance, BLCL was required to provide guarantees in support of Lost Bell’s and Annapolis Cider’s obligations.

5. In June and July 2024, BLCL advised RBC that it had agreed to sell the Charlottetown Property and that the net Sale Proceeds would be paid to RBC toward BLCL's loans. BLCL also advised that its intended order of payment was for BLCL asset-sale proceeds, including those from the Charlottetown Property, to be applied first to BLCL's indebtedness, with the Operating Companies' debt to be addressed separately through proposed refinancing.
6. The Monitor understands that, after the sale closed, RBC applied the Sale Proceeds to reduce Spirit Co's indebtedness. The contemporaneous communications reviewed by the Monitor indicate that RBC advised of its intention to apply the excess Sale Proceeds to Spirit Co's operating line unless it heard otherwise by the end of the week, and that BLCL's counsel responded within that timeframe directing that the proceeds instead be applied to BLCL's own term debt. The communications reviewed by the Monitor do not, however, clearly establish what BLCL intended to do with the surplus proceeds in all respects.

3.4 Parties' Positions

1. The Monitor understands that the BLCL Parties' position is that its counsel directed the Sale Proceeds realized from the Charlottetown Property to be applied first to BLCL's term loan for the Charlottetown Property, and then to two other BLCL term loans. As noted, the communications provided to the Monitor do not clearly establish what BLCL intended to do with the surplus proceeds.
2. The Monitor also understands that the BLCL Parties take the position that no document in RBC's security package authorized RBC to apply the Sale Proceeds to Spirit Co's operating line, and that BLCL did not guarantee Spirit Co's operating obligations. On that basis, BLCL characterizes RBC's application of those funds as unauthorized and claims it resulted in an improper reduction of Spirit Co's indebtedness at the expense of BLCL.

3. RBC's counsel has advised the Monitor that RBC takes the position that the relevant question is not whether it was contractually entitled to apply the payments in this manner, but rather that it required such application as a condition of its continued forbearance. Based on the Monitor's review of the correspondence provided, RBC referenced "intercompany guarantees", the outstanding demands, terms for continued forbearance, and the lack of sufficient progress on the proposed refinancing as grounds that it was not required to allocate sale proceeds of BLCL assets solely in accordance with BLCL's direction.
4. In recent correspondence, RBC's counsel advised the Monitor's counsel that although RBC is not opposed to the reallocation of the Sale Proceeds, RBC reserves the right to appear to explain the factual circumstances that led to the original application of the proceeds, and to maintain its position that it was entitled to apply the proceeds as it did. RBC has also indicated that, in the event of any hearing on the issue, it would seek its costs of participation, including having regard to its continuing first-ranking mortgage security over certain BLCL Real Properties.

3.5 Summary of Monitor's Review

1. The Monitor's review indicates that RBC held broadly drafted guarantees and security documents, and that RBC has referred generally to "intercompany guarantees" and the terms of continued forbearance as justification for applying the Sale Proceeds to Spirit Co's indebtedness. However, based on the materials reviewed to date, the Monitor has not identified any express direct guarantee by BLCL of Spirit Co's obligations.

2. The Monitor further notes that, while RBC's position is that its application of the Sale Proceeds was tied to the continuation of the forbearance arrangements, whether that formed part of the forbearance arrangement as a matter of fact, whether orally or otherwise, is an issue that would require determination on a more complete record. The Monitor also notes that it is not clear from the communications reviewed the reason the Op Co Forbearance required BLCL to provide guarantees in support of Lost Bell's and Annapolis Cider's obligations but did not specifically require a guarantee of Spirit Co's obligations.
3. The Monitor also notes a potential marshalling issue in respect of the Sale Proceeds. Specifically, RBC, as secured creditor, had recourse to the assets of multiple Applicants, whereas Spirit Co's unsecured creditors have recourse only to Spirit Co's assets.
4. There is an argument in favour of marshalling the Sale Proceeds to the benefit of unsecured creditors by applying them to Spirit Co, since RBC could be repaid from other assets. The Monitor notes that a threshold matter in any marshalling argument is whether the secured creditor does in fact have recourse to other assets, including whether RBC could legally apply the Sale Proceeds to Spirit Co, and whether on the facts the secured creditor's recourse was otherwise limited or restricted. The effect of a successful marshalling argument is that the proceeds would be applied to Spirit Co, thereby increasing recoveries for unsecured creditors of Spirit Co and reducing recoveries for stakeholders of BLCL, including its equity holders.
5. If the repayment is applied to BLCL's indebtedness to RBC, then unsecured creditors will receive a lower distribution than if it is applied to Spirit Co's indebtedness to RBC. Given these competing considerations and the potential impact of the issue on stakeholder distributions, the Monitor's position, as communicated to the BLCL Parties, is that it is not prepared to agree to a debt reallocation without the Court's guidance. The Monitor is also of the view that unsecured creditors should have the opportunity to consider this issue.

6. The Monitor seeks to bring the RBC Debt Repayment issue forward for adjudication at the motion returnable August 19, 2026 in these proceedings and to seek direction from the Court with respect to an appropriate distribution framework.
7. The Monitor intends to serve this Tenth Report on the service list and the Applicants' five largest unsecured creditors. While the unsecured creditors do not have representative counsel in these proceedings, the Monitor is of the view that separate representative counsel is not required given the amounts at issue; however, the unsecured creditors should have the opportunity to consider the RBC Debt Repayment issue and determine whether they wish to advance a position at the motion for direction and determination in respect of that issue.

4.0 Monitor's Activities Since the Ninth Report

1. Since the Ninth Report, the Monitor has, among other things:
 - a) dealt with post-closing matters relating to the Transactions;
 - b) continued the sale process for the Lost Bell Property;
 - c) continued reviewing and engaging with counsel for RBC and the BLCL Parties regarding the RBC Debt Repayment;
 - d) updated an analysis of net sale proceeds available to the Operating Companies' unsecured creditors, provided same to the BLCL Parties' counsel, and engaged with the BLCL Parties' counsel concerning the Outstanding Issues;
 - e) finalized, with the assistance of counsel, a resolution of the Fee Allocation with the BLCL Parties, subject to Court approval; and
 - f) prepared this Tenth Report and reviewed all motion material filed in connection with this motion.

5.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the relief sought by the Monitor in this motion.

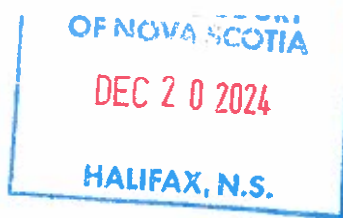
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All of which is respectfully submitted,

AlixPartners Restructuring, Inc.

**ALIXPARTNERS RESTRUCTURING, INC., IN ITS CAPACITY AS MONITOR OF
BLUE LOBSTER CAPITAL LIMITED, 3284906 NOVA SCOTIA LIMITED,
3343533 NOVA SCOTIA LIMITED AND 4318682 NOVA SCOTIA LIMITED
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Appendix “A”



Hfx. No. 538745

SUPREME COURT OF NOVA SCOTIA

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 Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the "**Applicants**") for relief under s. 11 of the CCAA and other relief

AMENDED AND RESTATED INTIAL ORDER



Before the Honourable Justice D. Jamieson in chambers:

The Applicants propose to make a compromise or arrangement under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "**CCAA**") and they 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:

The Service List attached hereto as Schedule "A"

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

Party	Counsel
Applicants	Darren D. O'Keefe, O'Keefe & Sullivan Marc Dunning, Burchell Wickwire Bryson LLP
Royal Bank of Canada (" RBC ")	Maurice Chiasson, K.C. and Sara Scott, Stewart McKelvey
KSV Restructuring Inc.	Sharon Kour, Reconstruct LLP

On motion of the Applicants and upon reading the affidavits of Kevin Alexander Rice sworn November 27, 2024 and 17 December 2024 (the "**Rice Affidavits**") and the Exhibits thereto, the affidavit of Marc Dunning sworn on November 27, 2024 (the "**Dunning Affidavit**") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and such other counsel as appeared, with all parties being duly served as appears from the affidavits of service of Marc Dunning sworn 11 December 2024, 12 December 2024 and 17 December 2024, and on reading the Pre-Filing Report of KSV Restructuring Inc. dated 27 November 2024 the Supplement to the Pre-Filing Report of KSV Restructuring Inc. dated December 10, 2024, and their consent act as the Monitor attached to the within application, the following is ordered and declared:

Service:

1. The service of the notice of application in chambers, and the supporting documents, as set out in the affidavit of service is hereby deemed adequate notice so that the motion is properly returnable today and further service thereof is hereby dispensed with.

Application:

2. The Applicants are companies to which the CCAA applies.

Plan of Arrangement:

3. The Applicants, 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:

4. The Applicants 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 Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants shall be authorized and empowered to continue to retain and employ consultants, 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 or for the carrying out of the terms of this Order.

5. The Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- a. all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and expenses payable 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;
- c. with prior written approval of the Monitor, the fees and disbursements for any Assistants retained or employed by the Applicants in respect of these proceedings, at their reasonable standard rates and charges.

6. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- a. all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance including directors and officers insurance, maintenance, and security services; and
- b. payment for goods or services actually supplied to the Applicants prior to and following the date of this Order, provided that to the extent such expenses were

incurred prior to the date of this Order, the Applicants shall only be entitled to pay such amounts if they are determined by the Applicants, in consultation with the Monitor, to be necessary to the continued operation of the Business or preservation of the Property and such payments are approved in advance by the Monitor or by further Order of this Court. Notwithstanding the foregoing, any such payments shall not exceed the amount of \$125,000.00.

7. The Applicants shall remit or pay, in accordance with legal requirements or on terms as may be agreed to between the Applicants and the applicable authority:

- 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 Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- c. any amount payable to the Crown in right of Canada or of any Province or any regulatory or administrative body or any other 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) attributable to or in respect of the ongoing Business carried on by the Applicants; and iii) payable in respect of the period commencing on or after the date of this Order.

8. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Applicants 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 Applicants 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. On the date of the first of such payments, any arrears relating to the period commencing from and including the date of this Order shall also be paid.

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

Restructuring:

10. The Applicants 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; and
- b. 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.

No Proceedings Against the Applicants or the Property:

11. Until and including 08 March 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, tribunal, or arbitration association (each, a "**Proceeding**") shall be commenced, continued, or enforced against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

No Exercise of Rights or Remedies:

12. 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 Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall i) empower the Applicants to carry on any business which the Applicants are 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) exempt the Applicants 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 v) 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 Applicants shall not be required to file a defence during the stay period.

No Interference with Rights:

13. 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 Applicants, including but not limited to renewal rights in respect of existing insurance policies on the same terms, except with the written consent of the Applicants and the Monitor, or leave of this Court.

Continuation of Services:

14. During the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods 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 Applicants, 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 Applicants, and the Applicants 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 Applicants in accordance with normal payment practices of

the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

Non-Derogation of Rights:

15. Notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased 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 Applicants.

Proceedings Against Directors and Officers:

16. 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 Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants 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 Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court, these proceedings are dismissed by final order of this Court, or with leave of this Court.

Appointment of Monitor:

17. KSV Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Business and financial affairs of the Applicants, the Property, and the Applicants' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and the Applicants and its shareholders, officers, directors, employees and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, cooperate 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.

18. 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, the activities of the Applicants, and such other matters as may be relevant to the proceedings herein;
- c. advise the Applicants 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 Applicants, to the extent deemed appropriate by the Monitor, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- 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 Applicants, to the extent that is necessary to adequately assess the Applicant's Business and financial affairs or to perform its duties arising under this Order;
- f. be at liberty to engage 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;
- g. be at liberty to perform such other duties as are required by this Order or by this Court from time to time.

19. 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.

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

21. Nothing herein shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the

Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Nova Scotia Environment Act*, the *Nova Scotia Water Resources Protection Act*, or the *Nova Scotia Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's 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.

22. The Monitor shall provide any creditor of the Applicants with information provided by the Applicants 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 Applicants 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 Applicants may agree.

23. The Monitor, counsel to the Monitor, and all counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case not to exceed their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a semi-monthly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

24. 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.

25. The Monitor, counsel to the Monitor, if any, and the Applicant'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 \$175,000, as security for their

professional fees and disbursements incurred at the 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 paragraph 27 hereof.

26. The filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge 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 coming into existence, notwithstanding any such failure to file, register, record or perfect.

27. The Administration Charge shall constitute a charge on the Property of the Applicants 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.

28. That except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any further Encumbrances over any Property that ranks in priority to, or *pari passu* with the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor, RBC and the beneficiaries of the Administration Charge, or further Order of this Court.

29. The Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, 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 Applicants, and notwithstanding any provision to the contrary in any Agreement:

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

30. That any charge created by this Order over leases of real property in Canada shall only be a charge in the Applicants' interest in such real property leases.

Refinance or Sale Process:

31. That the Applicants with the assistance of the Monitor are hereby authorized and empowered to take such steps as are deemed necessary or desirable to, subject the approval of this Court, carry out and perform a refinancing transaction whereby the Applicants' obligations to RBC (as they exist at the time of any repayment, including all accrued interest, professional costs and other costs) are repaid in full, or such other transaction satisfactory to RBC (the "Refinancing Process"), and in so doing the Monitor shall incur no liability or obligation as a result of assisting the Applicants with the Refinancing Process or in carrying out the other provisions of this Order, save and except for gross negligence or willful misconduct on its part. Any payments made by the Applicants pursuant to this paragraph and any Order of this Court do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law and shall be received by RBC free and clear of the claims of other creditor of the Applicants.

Service and Notice:

32. 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, a notice to every known creditor who has a claim against the Applicants 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.

33. The Applicants 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 Applicants 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.

34. The Applicants 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 <https://www.ksvadvisory.com/experience/case/blue>.

General:

33. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

34. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, construction lien trustee, or a trustee in bankruptcy of the Applicants, the Business or the Property.

35. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction outside Nova Scotia, is requested to give effect to this Order and to assist the Applicants, 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 Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

36. Each of the Applicants and the Monitor may 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 the Monitor may act as a representative in respect of

the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

37. Any interested party, including the Applicants 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.

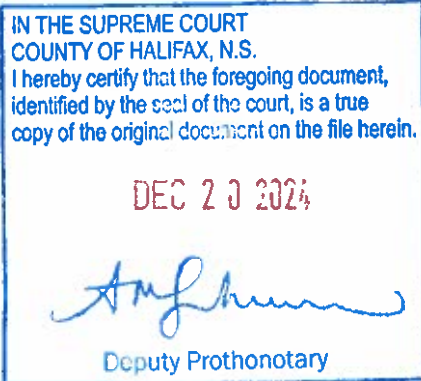
38. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Atlantic Standard Time on the date of this Order.

Issued December 20 2024.



Prothonotary

ALEXIS SCHURMAN
Deputy Prothonotary



Schedule "A"

Service List

Name	Contact
Blue Lobster Capital Limited 3284906 Nova Scotia Limited 3343533 Nova Scotia Limited 4318682 Nova Scotia Limited Applicants	Darren O'Keefe, Lawyer for the Applicants O'Keefe Sullivan 80 Elizabeth Avenue, Suite 202 St, John's, NL A1A 1W7 Email: dokeefe@okeefesullivan.com Marc Dunning, Lawyer for the Applicants (Local Counsel) Burchell Wickwire Bryson LLP 1900-1801 Hollis Street Halifax, NS B3J 3N4 Email: mdunning@bwblp.ca
KSV Restructuring Inc. 220 Bay Street, Suite 1300 Toronto, ON M5J 2W3 Monitor	Bobby Kofman Email: bkofman@ksvadvisory.com Mitch Vininsky Email: mvininsky@ksvadvisory.com Sharon Kour, Lawyer for the Monitor Reconstruct LLP 120 Adelaide Street West, Suite 2500 Toronto, ON M5H 1T1 Email: skour@reconllp.com
Royal Bank of Canada 700-1871 Hollis Street Halifax, NS B3J 0C3	Dave Northrup Email: dave.northrup@rbc.com Maurice P. Chiasson, KC Email: mchiasson@stewartmckelvey.com Sara Scott Email: sscott@stewartmckelvey.com Colton Smith Email: csmith@stewartmckelvey.com Stewart McKelvey Queen's Marque 600-1741 Lower Water Street Halifax, NS B3J 0J2

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Tesla Motors ULC 1325 Lawrence Avenue, East Toronto, ON M3A 1C6	Christopher MacIntyre, Recognized Agent McInnes Cooper 1969 Upper Water Street, Suite 1300 Halifax, NS B3J 3R7 Email: chris.macintyre@mcinnescooper.com
Penske Truck Leasing Canada Inc. / Locations de Camions Penske Canada Inc. 7405 East Danbro Crescent Mississauga, ON L5N 6P8	Robert Eidinger Eidinger & Associates 1350 rue Sherbrooke ouest, suite 320 Montreal, PQ H3G 1J1 Email: robert.eidinger@eidinger.ca
Toyota Credit Canada 80 Micro Court, Ste. 200 Markham, ON L3R 9Z5	Gavin MacDonald, Recognized Agent Cox & Palmer Nova Centre, South Tower 1500-1625 Grafton Street Halifax, NS B3J 3E5 Email: gmacdonald@coxandpalmer.com
L. Burge Services Limited 179 Foord Street Stellarton, NS B0K 1S0	Ray O'Brien, Recognized Agent O'Brien Law 179 Foord Street Stellarton, NS B0K 1S0 Email: ray@oblenislaw.com
Shell Canada Products Limited 2000 Barrington Street, Suite 1101-C Halifax, NS B3J 3K1	Barry Horne Miller Thompson, LLP 40 King Street West, Suite 5800 Toronto, ON M5H 3C2 Email: bhorne@millerthomson.com
Crews Automotive Incorporated 1917 Drummond Road Westville, NS B0K 2A0	Kenneth Crews, Recognized Agent Email: kennycrews@yahoo.ca

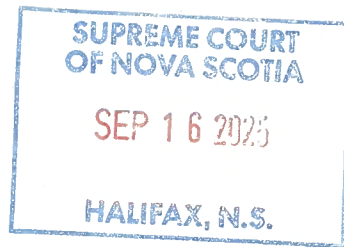
Name	Contact
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Suzanne Corkum 106 Greenpark Close, Unit 612 Halifax, NS B3S 0A4	Michael MacKenzie Atlantica Law Group 99 Water Street Windsor, NS B0N 2T0 Email: mmackenzie@atlanticalaw.ca
Kevin Alexander Rice Daniel Ronald Allen Tracey Lynn Allen	Paul Radford, KC Patterson Law 2100-1801 Hollis Street Halifax, NS B3J 3N4 Email: pradford@pattersonlaw.ca
Canada Revenue Agency Insolvency Intake Centre Shawinigan – Sud National Verification and Collections Centre 4695 Shawinigan-Sud Boulevard Shawinigan, QC G9P 5H9	Deanna Frappier, KC Email: deanna.frappier@justice.gc.ca Caitlin Ward Email: caitlin.ward@justice.gc.ca
Office of the Superintendent of Bankruptcy Maritime Centre 1505 Barrington Street, 16 th Floor Halifax, NS	Email: ic.osbccaa-laccbsf.ic@canada.ca

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Appendix “B”

2024



Hfx No. 538745

SUPREME COURT OF NOVA SCOTIA

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 Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the "**Applicants**") for relief under s. 11 of the CCAA and other relief.

ORDER

Before the Honourable Justice Darlene Jamieson in chambers:

UPON MOTION of KSV Restructuring Inc. in its capacity as Court-appointed monitor of the Applicants (the "**Monitor**") for an Order:

- (i) giving direction regarding the timing of closing of the transactions approved by the Court on July 17, 2025; and
- (ii) varying the procedures for the sale and marketing of the real property held by Blue Lobster Capital Limited ("**BLCL**").

UPON READING the report of the Monitor dated June 17, 2025 and the supplemental report of the Monitor dated June 23, 2025 and on reading the consent of counsel for the Monitor, counsel for the Applicants, and counsel for the Royal Bank of Canada;

AND UPON READING the Affidavit of Service of Alina Stoica sworn September 2, 2025 confirming that the parties on the service list maintained in this proceeding were served with notice of this Motion;

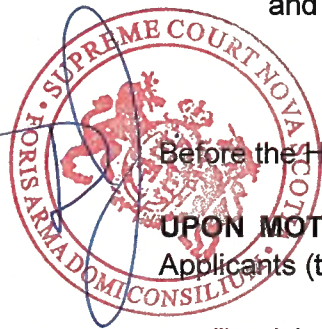
NOW UPON MOTION:

IT IS HEREBY ORDERED THAT:

1. The time for service of the Notice of Motion is hereby abridged and validated so that this Motion is properly returnable today and further service thereof is hereby dispensed with.

CLOSING OF THE TRANSACTIONS

2. With the consent of the Applicants, the Monitor is directed *nunc pro tunc* to close the asset purchase agreement dated May 31, 2025 between 3284906 Nova Scotia Limited ("**Spirit Co.**") and 4318682 Nova Scotia Limited ("**Annapolis Cider**"), as represented by the



Monitor, as vendor (the “**Vendor**”), and Shannon Theresa Lynch, on behalf of a nominee corporation to be incorporated, as purchaser (the “**Purchaser**”) for the business and assets of Spirit Co. and Annapolis Cider as approved by this Court in the Sale Approval and Vesting Order dated July 17, 2025 in respect of that transaction.

3. With the consent of the Applicants, the Monitor is directed *nunc pro tunc* to close the asset purchase agreement dated May 9, 2025 (the “**Coast APA**”) between 3343433 Nova Scotia Limited (“**Lost Bell**”) and 3284906 Nova Scotia Limited (“**328NSL**” and together with Lost Bell, the “**Companies**”), as represented by the Monitor as vendor (the “**Vendor**”), and Coast to Coast Marketing Ltd. and James Roue Beverage Company Ltd. (together, the “**Purchaser**”) for the business and assets of the Companies as described in the Coast APA, as approved by this Court in the Sale Approval and Vesting Order dated July 17, 2025 in respect of that transaction.

SALE OF BLCL REAL PROPERTY

4. The Court’s Ancillary Order dated July 17, 2025 is varied by:

- i) deleting paragraph 11 and replacing it with the following:

11. The marketing and sale of the BLCL Real Property shall be subject to the following process:

- a) The marketing and sale of the BLCL Real Property by the Monitor is suspended until September 16, 2025;
 - b) BLCL may tender funds to the Monitor sufficient to repay all of its creditors on or before September 16, 2025;
 - c) BLCL may arrange for one or more unconditional agreements to sell one or more of the real properties that it owns on terms that (i) yield sufficient funds to repay all of its creditors, and (ii) are satisfactory to RBC and are approved by the Monitor, including as to closing date and deposit;
 - d) Any sale process carried out by BLCL in respect of the BLCL Real Property shall be done in consultation with and under the supervision of the Monitor;
 - e) The Monitor shall have unrestricted access to any advisors and agents engaged to sell or refinance by BLCL to sell the BLCL Real Property;
 - f) The Monitor shall be entitled to review and approve all marketing materials for the sale of the BLCL Real Property;
 - g) Any transaction by BLCL for the sale or refinancing of the BLCL Real Property is subject to the approval of the Court;

- h) If BLCL does not comply with either paragraph (b) or (c), above, the Monitor shall resume the marketing and sale of the BLCL Real Property on September 16, 2025;
 - i) The Applicants are directed to facilitate and assist the Monitor to prepare the BLCL Real Property for listing as of September 16, 2025 and shall by that date deliver to the Monitor vacant possession of the BLCL Real Property;
 - j) The Monitor in carrying out the sale process after September 16, 2025 shall be entitled but not obligated to retain any agents or advisors retained by BLCL prior to that date;
 - k) After September 16, 2025, the Monitor shall consult with BLCL and its representatives concerning the sale of the BLCL Real Property as considered appropriate and necessary by the Monitor; and
 - l) After September 16, 2025, BLCL may continue to exercise its right of redemption by tendering funds sufficient to repay all of its creditors before the date on which the Monitor accepts an offer which is unconditional offer (except for Court approval) to sell any of the BLCL Real Property (the "**Tendered Property**"), after which time the right of redemption in respect of the Tendered Property shall be extinguished.
 - m) BLCL and its representatives shall not be entitled to any information with respect to any other bids submitted in the BLCL Real Property sale process.
- ii) Deleting paragraph 12 and replacing it with the following:
12. To the extent that the Monitor shall list any of the BLCL Real Property for sale as set out in paragraph 11(i), any person residing at the BLCL Real Property to be listed for sale shall vacate such property no later than September 16, 2025.

TERMINATION OF INTERIM FINANCING FACILITY

5. The Interim Financing Facility provided to the Applicants by Royal Bank of Canada (the "Bank") pursuant to the letter agreement provided by the Bank to the Applicants and dated January 14, 2025 and approved by this Court under the Charging Order issued on January 21, 2025 is hereby terminated and the Bank shall have no further obligations to make any advances to the Applicants thereunder.

DATED at Halifax, Nova Scotia, this 16 day of September, 2025.



MYRA JANES
Deputy Prothonotary

IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.
I hereby certify that the foregoing document,
identified by the seal of the court, is a true
copy of the original document on the file herein.

SEP 16 2025


Deputy Prothonotary

MYRA JANES
Deputy Prothonotary