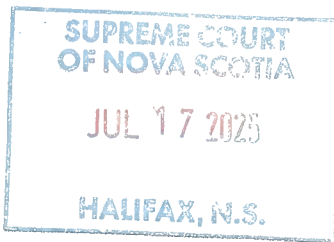


2024



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**")

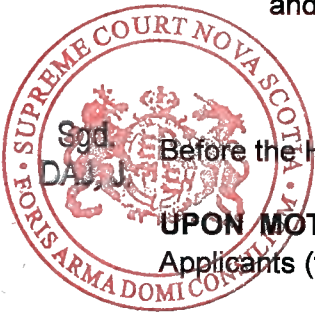
AND IN THE MATTER OF an application by Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the "**Applicants**") for relief under s. 11 of the CCAA and other relief.

ANCILLARY 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) sealing the confidential appendices to the report of the Monitor dated June 17, 2025 (the "**Fourth Report**") and the supplemental report of the Monitor dated January 23, 2025 (the "**Supplemental Report**");
- (ii) authorizing the Monitor to make distributions of proceeds of sale of the assets and property of the Applicants to the Royal Bank of Canada ("**RBC**") up to the amount of the indebtedness of the Applicants to RBC;
- (iii) directing Blue Lobster Capital Limited ("**BLCL**") to deliver vacant possession of certain real property owned by BLCL;
- (iv) ordering all persons residing at the real property located at 2138 Brunswick Street, Halifax (the "**Brunswick Property**") to vacate within 30 days of this Order to allow the Brunswick Property to be listed for sale on a vacant basis;
- (v) expanding the Monitor's powers and authorizing and directing the Monitor to, among other things, execute the sale transactions (the "**Transactions**") pursuant to:
 - a. the asset purchase agreement dated May 31, 2025 (the "**Lynch APA**") between 3284906 Nova Scotia Limited ("**Spirit Co.**") and 4318682 Nova Scotia Limited ("**Annapolis Cider**"), as represented by the Monitor as vendor, and Shannon Theresa Lynch on behalf of a nominee corporation to be incorporated as purchaser; and
 - b. the asset purchase agreement dated May 9, 2025 (the "**Coast APA**") between 3343533 Nova Scotia Limited ("**Lost Bell**"), as represented by the Monitor as vendor, and Coast to Coast Marketing Ltd. and James Roue Beverage Company



Ltd. as purchaser (together with Shannon Theresa Lynch, the “**Purchasers**”);

(vi) extending the stay of proceedings up to and including October 31, 2025; and

(vii) approving the Fourth Report and the Monitor’s activities described therein.

UPON READING the Fourth Report and other materials filed in this proceeding and on hearing the submissions of counsel for the Monitor, counsel for the Applicants, counsel for the Royal Bank of Canada, and such other counsel who were present and wished to be heard;

AND UPON READING the Affidavit of Service of Samantha Currie sworn June 23, 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.

STAY OF PROCEEDINGS

2. The stay of proceedings granted pursuant to the Order of Justice Jamieson dated December 13, 2024 (as amended and restated, the “**Initial Order**”) is hereby extended up to and including October 31, 2025.

AUTHORITY OF THE MONITOR

3. The Monitor is authorized and directed to execute and deliver the Lynch APA and the Coast APA, and any other agreement, document, or arrangement related to the Transactions and to take all steps necessary to close the Transactions.
4. The Monitor, in addition to and without in any way limiting its powers set out in the Initial Order or any other Order of this Court in this proceeding, or under the CCAA or applicable law, is hereby authorized and empowered, but not obligated, to:
 - a. review and approve the Applicants’ receipts and disbursements;
 - b. disclaim, on behalf of the Applicants, any agreements that are not assumed by the Purchasers;
 - c. take such steps and perform such other activities as may be required to realize on the Applicants’ remaining assets, including the real property held by BLCL (the “**BLCL Real Property**”), including but not limited to the preparation of the BLCL Real Property for sale, the engagement of a listing broker, the listing of the BLCL

Real Property for sale, and negotiating, entering into, executing, and delivering any agreement, document, or arrangement for the sale of any of the BLCL Real Property, subject to Court approval;

- d. pay the Applicants' invoices received after closing of the Transactions that relate to the period after commencement of the CCAA proceeding and prior to closing of the Transactions;
- e. file tax returns for the Applicants, if necessary;
- f. terminate the employment of employees of the Applicants that are not retained by the Purchasers;
- g. transfer deposits received by the Applicants after the closing of the Transactions in accordance with the terms of the Coast APA and Lynch APA; and
- h. seek authorization and direction and any further Orders of this Court.

DISTRIBUTION

- 5. The Monitor is hereby authorized to make distributions from the net proceeds of the Transactions in payment of the secured obligations owing by the Applicants to RBC, which net proceeds and payments shall be calculated on an entity-by-entity basis according to the purchase price allocations in each Transaction.
- 6. Any distribution made to RBC pursuant to this Order shall be applied by RBC to pay down the secured obligations owed by the Applicants upon payment of such distribution.
- 7. The Monitor is hereby authorized and directed to take all necessary steps and actions to effect distributions pursuant to this Order and shall not incur any liability as a result of making the distributions.
- 8. This Court orders that, notwithstanding:
 - a. the pendency of these CCAA proceedings;
 - b. any application for a bankruptcy or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") or other applicable legislation in respect of the Applicants and any bankruptcy or receivership order issued pursuant to any such applications;
 - c. any assignment in bankruptcy made in respect of the Applicants; and
 - d. any provisions of any federal or provincial legislation.

the distributions shall be made free and clear of all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively,

"Encumbrances") and shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Applicants and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. The Monitor shall withhold from the net proceeds allocated to Spirit Co. the amount of \$251,000, which the Monitor shall hold in an interest-bearing trust account until sale transactions have been approved and closed for the BLCL Real Property with sufficient net proceeds received by the Monitor to satisfy the amounts owing by BLCL to RBC, or further Order of the Court.
10. The Monitor shall hold all residual net proceeds in an interest-bearing trust account subject to further Order of the court, provided however that the Monitor shall be entitled to apply such proceeds as necessary to pay any priority payables, outstanding amounts secured by the charges granted in the Initial Order, and other post-filing amounts accrued.

SALE OF BLCL REAL PROPERTY

11. The Applicants are directed to facilitate and assist the Monitor to prepare the BLCL Real Property for listing and sale and shall within 30 days of this Order deliver to the Monitor vacant possession of the BLCL Real Property.
12. Any person residing at the BLCL Real Property shall vacate such property within 30 days of this Order.

SEALING

13. The confidential appendices to the Fourth Report and the Supplemental Report are hereby sealed, kept confidential and shall not form part of the public record until the earlier of the closing of the Transactions or further Order of this Court.

APPROVAL OF MONITOR'S ACTIVITIES

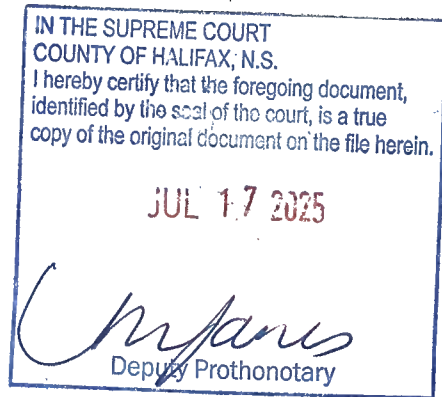
14. The Fourth Report and the activities of the Monitor referred to therein be and are hereby approved, provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.
15. This Order and all of its provisions are effective as of 12:01 a.m. local time on the date of this Order.

DATED at Halifax, Nova Scotia, this 17 day of July, 2025.



MYRA JANES

Deputy Prothonotary



MYRA JANES

Deputy Prothonotary