

COURT FILE NO. 25-3002847/B301-002847
ESTATE NO. 25-3002847
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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IN THE MATTER OF THE NOTICE OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C.
1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF INFARM INDOOR URBAN
FARMING CANADA INC.

APPLICANT INFARM INDOOR URBAN FARMING CANADA INC.

**DOCUMENT ORDER (NOI EXTENSION AND ADMINISTRATION
CHARGE)**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

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File Number: 300427

DATE ON WHICH ORDER WAS PRONOUNCED: November 10, 2023
LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton Law Courts
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice
Dunlop

UPON THE APPLICATION of Infarm Indoor Urban Farming Canada Inc. ("**Infarm Canada**") for an order extending the time for Infarm Canada to file a proposal, and the corresponding stay of proceedings, until January 9, 2024, and granting the Administration Charge (as defined herein); AND UPON reviewing the Affidavit of Amit Matthew Shoresworn on November 2, 2023; AND UPON hearing submissions by counsel for Infarm Canada, counsel for KSV Restructuring Inc. in its capacity as proposal trustee of Infarm Canada ("**Proposal Trustee**"), counsel for TriplePoint Capital LLC and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

STAY EXTENSION

2. Pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "**BIA**"), the time for Infarm Canada to file a proposal, and the corresponding stay of proceedings provided for in section 69 of the BIA, be and is extended until and including January 9, 2024.

ADMINISTRATION CHARGE

3. Legal counsel to Infarm Canada, McMillan LLP, and the Proposal Trustee and its legal counsel, Fasken Martineau DuMoulin LLP (collectively, the "**Professionals**"), as security for their respective professional fees and disbursements incurred both before and after the commencement of these NOI proceedings and before or after the granting of this Order, shall be entitled to the benefit of, and are hereby granted, a first ranking charge (the "**Administration Charge**") on all of Infarm Canada's present and after acquired assets, property and undertakings (the "**Property**"), which charge shall not exceed **\$250,000** as security for the Professionals' professional fees and disbursements incurred at normal rates and charges.

PRIORITY OF THE ADMINISTRATION CHARGE

4. The filing, registration or perfection of the Administration Charge shall not be required, and the Administration Charge shall be 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.
5. The Administration Charge shall constitute a security and charge on the Property and such Administration Charge shall rank in priority to all other security interests, trusts, liens, charges, deemed trusts, encumbrances and claims of secured creditors, statutory or otherwise in favour of any person, including liens and trusts created by federal and provincial legislation (collectively, the "**Encumbrances**").
6. Except as otherwise provided herein, or as may be approved by this Honourable Court, Infarm Canada shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, the Administration Charge, unless Infarm Canada obtains the prior written consent of the Professionals or further order of this Court.
7. The Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Professionals thereunder shall not otherwise be limited or impaired in any way by:
 - (a) the pendency of these proceedings and any declarations of insolvency in these proceedings;
 - (b) any application(s) for 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;
 - (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**") that binds Infarm Canada, and notwithstanding

any provision to the contrary in any Agreement:

- (i) neither the creation of the Administration Charge nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by Infarm Canada of any Agreement to which they, or any one of them, is a party;
- (ii) none of the Professionals 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
- (iii) the payments made by Infarm Canada 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.

MISCELLANEOUS MATTERS

8. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order, and to assist Infarm Canada or the Proposal Trustee 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 order and to provide such assistance to Infarm Canada and the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist Infarm Canada or the Proposal Trustee and their respective agents in carrying out the terms of this Order.
9. Infarm Canada or the Proposal Trustee shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

SERVICE OF ORDER

10. Service of this Order shall be deemed good and sufficient:
- (a) by serving same on the persons who were served with notice of this Application and any other parties attending or represented at the hearing of the Application; and
 - (b) by posting a copy of this Order on the Proposal Trustee's website at <https://www.ksvadvisory.com/experience/case/infarm-urban-farming>.
11. Service of this Order on any other person is hereby dispensed with.
12. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



Justice of the Court of King's Bench of Alberta