Form 27
[Rules 6.3]

Clerk's stamp

JUDICIAL CENTRE OF CALGARY
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Apr 22, 2024
1:46 PM
CLERK OF THE COURT

COURT FILE NUMBER	2201-08920
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	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 OR ARRANGEMENT OF NORTH AMERICAN LAMB COMPANY LTD., CANADA SHEEP AND LAMB FARMS LTD., CANADA SHEEP HOLDINGS LTD., LAMB CLUB MARKETING LIMITED, CANADA LAMB GROWERS LTD., CANADA LAMB PROCESSORS LTD. and CANINE FAIR LTD.
PARTY FILING THIS DOCUMENT	ERNST & YOUNG INC., IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF THE DEBTOR COMPANIES
DOCUMENT	**APPLICATION (Conditional Termination Order)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Norton Rose Fulbright Canada LLP 400 3rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 CANADA Howard A. Gorman, K.C. / Erin E. Colwell howard.gorman@nortonrosefulbright.com erin.colwell@nortonrosefulbright.com Tel: +1 403.267.8222 Fax: +1 403.264.5973 Lawyers for the Monitor, Ernst & Young Inc. File no.: 1001221818

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent. You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date: May 1, 2024

Time:	12:00pm
Where:	Calgary Commercial List via Webex https://albertacourts.webex.com/meet/virtual.courtroom60
Before Whom:	The Honourable Justice Neufeld

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1 The Applicant, Ernst & Young Inc., in its capacity as Court-appointed Monitor (the **Monitor**) of North American Lamb Company Ltd. (**NALCO**) and its subsidiaries, Canada Sheep and Lamb Farms Ltd., Canada Sheep Holdings Ltd., Lamb Club Marketing Limited, Canada Lamb Growers Ltd., Canada Lamb Processors Ltd., and Canine Fare Ltd. (collectively, the **Debtor Companies** or the **NALCO Group**), seeks an order substantially in the form attached hereto as **Schedule A** (the **Conditional Termination Order**), granting the following relief and directions:

(a) abridging, if necessary, the time for service of this Application and deeming service to be good and sufficient, and that no other person is required to have been served notice of this Application;[1]

(b) approval of the professional fees, disbursements and costs of the Monitor and its legal counsel, Norton Rose Fulbright Canada LLP (the **Monitor's Legal Counsel**), as set out in the Seventh Report of the Monitor, dated April 22, 2024 (the **Seventh Report**), and in all of its other reports filed herein (the **Professional Fees**);

(c) pre-authorization and pre-approval of the professional fees, disbursements and costs of the Monitor and the Monitor's Legal Counsel from the date of the

[1] Capitalized terms used, but not otherwise defined, take their meaning from the Seventh Report. Capitalized terms not defined in the Seventh Report are as defined in the ARIO, the Pre-filing Report of the Monitor, the First Report, Second Report, Third Report, Fourth Report, Fifth Report or Sixth Report.

Conditional Termination Order to the date of the filing of the Termination Certificate (the **Anticipated Professional Fees**);

(d) approval of the conduct and activities of the Monitor to date, as set out in the Seventh Report and in all of its other reports filed herein (the **Conduct**);

(e) authorization of the Monitor's conduct and activities required to address the activities as set out in paragraph 33 of the Seventh Report (the **Remaining Activities**);

(f) authorizing the Monitor to have all of the remaining books and records of the Debtor Companies destroyed;

(g) declaring that the Monitor has satisfied its obligations under and pursuant to the terms of the Amended and Restated Initial Order, granted by the Honourable Justice R.A. Neufeld on August 17, 2022, and all Orders granted in the within proceedings, and that the Monitor shall not be liable for any act or omission on its part, including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save any liability arising from fraud, gross negligence or wilful misconduct on the part of the Monitor, or with leave of the Court, and, subject to the foregoing, that any claims against the Monitor in connection with the performance of its duties are stayed, extinguished, and forever barred (the **Release**);

(h) discharging the Monitor as Monitor of the Debtor Companies upon the conclusion of the Remaining Activities and the filing of a certificate substantially in the form appended as Appendix "A" to the proposed form of Order (the **Termination Certificate**) (the **Discharge**);

(i) terminating these CCAA proceedings on the filing of Termination Certificate by the Monitor with the Court (the **Termination**);

(j) extending the Stay Period to and including the earlier of:

  (i) the date of filing of the Termination Certificate by the Monitor with the Court; and

  (ii) September 2nd, 2024;

(k) granting leave to the Monitor to apply to this Court for advice and directions as may be necessary to carry out the terms of the Order sought; and

(l) such further and other relief as counsel may advise and this Honourable Court may permit.

2 Attached as **Schedule B** to this application is a blackline of the Schedule A form of Order for the proposed Conditional Termination Order to the Template Order for final distribution, approval of receiver's fees and disbursements, approval of receiver's activities and discharge of receiver made available on the website of the Court of King's Bench of Alberta.

Grounds for making this application:

Background

3 On August 8, 2022, the Debtor Companies were granted protection and permission to commence proceedings under the CCAA pursuant to an Order of this Honourable Court (the **Initial Order**). Among other things, the Initial Order appointed the Applicant as Monitor and established an initial stay of proceedings in favour of the Debtor Companies from August 8, 2022 until August 18, 2022 (the **Stay Period**). The Monitor was also granted enhanced powers, which included the ability to, among other things:

(a) exercise such rights, powers and obligations of the Debtor Companies as the Monitor deems necessary or advisable;

(b) exercise any power which may be properly exercised by an officer or the board of directors of the Debtor Companies;

(c) take any steps in order to direct or cause the Debtor Companies to exercise any rights or fulfill any of their duties under the Initial Order;

(d) take any and all steps in order to direct or cause the Debtor Companies to manage the business, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, cease to perform any contracts of the Debtor Companies and/or disclaim any leases on behalf of the Debtor Companies;

(e) take any and all steps in order to direct or cause the Debtor Companies to administer their property or to perform such other functions or duties as the Monitor considers necessary or desirable;

(f) execute, assign, issue, and endorse documents of whatever nature in respect of the Debtor Companies' property and/or the business in the name and on behalf of the Debtor Companies;

(g) cause the Debtor Companies to retain the service of any person as an employee, consultant, or other similar capacity; and

(h) prepare, negotiate, and file with this Court a Plan in respect of the Debtor Companies to ensure that they could continue to operate during the course of the CCAA proceedings and to ensure that a restructuring could be pursued.

4 Following the issuance of the Initial Order and a temporary stay of proceedings, the Monitor made a further application to the Court seeking various relief on the Debtor Companies' behalf, which included requests to make certain amendments to the Initial Order as well as a request to have the Court authorize a sales process for the sale of certain Debtor Companies' assets.

5 On August 17, 2022, this Court granted a series of further Orders, including an Amended and Restated Initial Order, which, among other things,

(a) extended the Stay Period up to and including December 9, 2022;

(b) increased the Interim Lender Facility and the Interim Lender's Charge;

(c) granted a charge on certain property subject to the Sale and Investment Solicitation Process (**SISP**) as security for the fees and expenses payable to the Selling Agent;

(d) enabled the Monitor to enter into a First Amended and Restated Interim Financing Facility for $1.5 million (the **Amended Financing Facility**) provided by the Bank of Nova Scotia; and

(e) removed the obligation of the Monitor to seek Court approval prior to the Debtor Companies completing a transaction in respect of livestock, meat from processed livestock, and livestock feed (the **Livestock Assets**) to a third party, provided the Monitor take into account certain considerations provided for in the Amended and Restated Initial Order.

6 The Court also granted a SISP Order in relation to the sale of any and all property and business of the Debtor Companies that does not comprise the Livestock Assets. The SISP Order also included provisions:

(a) approving of the engagement letter (the **Engagement Letter**) with the Selling Agent, and approving of the Monitor's entry into the Engagement Letter;

(b) approving the engagement of the Selling Agent on the terms of the Engagement Letter;

(c) approving of the fees and expenses payable to the Selling Agent as contained in the Engagement Letter;

(d) declaring that the Selling Agent shall incur no liability or obligation as a result of its engagement or the carrying out of its mandate under the Engagement Letter, save and except for gross negligence or willful misconduct on its part; and

(e) approving of the Procedures for the SISP, attached as Schedule "A" to the SISP Order.

7 Following the granting of the Amended and Restated Initial Order and the SISP Order, the Monitor worked with the Selling Agent to run the process in accordance with the procedures attached to the SISP Order. In the result, the Monitor, in consultation with the Selling Agent and key stakeholders of the Debtor Companies, entered into six separate purchase and sale agreements (**PSAs**) for properties located in Alberta and Manitoba.

8 On December 6, 2022, this Honourable Court issued:

(a) an extension of the Stay Period until March 4, 2023;

(b) Sale Approval and Vesting Orders in respect of the following PSAs:

(i) WestFine Meats Inc. and West Excelamb Inc. (the **West Group**) for the purchase of the Processing Plant and the Iron Springs Property. A single PSA was negotiated with the West Group for the purchase of both properties (the **West Group PSA**);

(ii) ABAS Girls Ranch Ltd. (**ABAS**) for the purchase of the Lundar Property, the Rockwood Property, and the Stony Property. Three separate PSAs were negotiated with ABAS, one for each of the properties (the **ABAS PSAs**);

(iii) Sheldon Harms (**Harms**) for the purchase of select portions of the Sarto Property. The PSA negotiated with Harms would result in a carve-out of the Sarto Property such that a central land parcel would be transferred to Harms (the **Harms PSA**); and

(iv) 2 Flag Farms Ltd. (**2Flag**) for the purchase of select portions of the Sarto Property. The PSA negotiated with 2Flag would result in a carve-out of the Sarto Property such that the outer land parcels and buildings would be transferred to 2Flag (the **2Flag PSA**);

(c) a Sealing Order with respect to the Confidential Supplement to the Second Report of the Monitor; and

(d) Interim Distribution Order, authorizing the Monitor to make Interim Distributions to the Senior Secured Lenders.

9 In accordance with the Sale Approval and Vesting Orders granted on December 6, 2022, the Monitor closed the PSAs on the following dates:

(a) the West Group PSA closed January 27, 2023;

(b) all three of the ABAS PSAs closed December 16, 2022;

(c) the Harms PSA closed January 6, 2023;

(d) the 2Flag PSA closed December 22, 2022.

10 Based on interim net proceeds of these CCAA Proceedings, and with the approval and agreement from the Senior Secured Lenders and consistent with the Interim Distribution Order, the Monitor proceeded to make interim distributions to Farm Credit Canada in the amount of $10,500,000.00, and Bank of Nova Scotia in the amount of $6,725,000.00 (together the **Senior Secured Lenders**).

11 On March 2, 2023, this Honourable Court granted a Stay Extension Order, extending the Stay Period until May 27, 2023.

12 On May 23, 2023, this Honourable Court granted a subsequent Stay Extension Order, extending the Stay period until September 30, 2023.

13 On October 6, 2023, this Honourable Court granted a subsequent Stay Extension Order, extending the Stay period until January 31, 2024. This Stay Extension Order was granted *nunc pro tunc* such that it was effective as of September 30, 2023.

14 On January 23, 2024, this Honourable Court granted a subsequent Stay Extension Order, extending the Stay period until April 27, 2024.

15 These Stay Extension Orders were granted by the Court in order to provide the Monitor with the opportunity to continue winding down the Debtor Companies' operations, address outstanding amounts owing to the Debtor Companies and any residual taxation matters, coordinate with the Senior Secured Lenders and other stakeholders on residual CCAA matters, and analyze further distributions to be made to creditors.

Grounds

16 The Professional Fees, were validly incurred in connection with the conduct of the Monitor's obligations herein, and are reasonable in the circumstances.

17 The Conduct has been reasonable and necessary to bring certainty and maximum value to the creditors of the Debtor Companies.

18 Finalization of the Remaining Activities of the Monitor, as set out in paragraph 33 of the Seventh Report of the Monitor, is necessary to bring certainty and maximum value to the creditors of the Debtor Companies and finalization to the restructuring of the Debtor Companies.

19 In finalizing the Remaining Activities, the Monitor and its Legal Counsel will necessarily incur the Anticipated Professional Fees, which will have been necessarily incurred.

20 The Release is based on the Template Receiver's Discharge Model Order of the Alberta Court of Queen's Bench, with necessary conforming modifications.

21 The Monitor has completed all conduct and activities necessary under the CCAA to substantially complete the restructuring of the Debtor Companies. The Monitor is not aware of any reason that it should not be discharged upon the conclusion of the Remaining Activities and the filing of the Termination Certificate as proposed. It is appropriate for the Monitor to be discharged following the finalization of the Remaining Activities.

22 The termination of these CCAA proceedings and discharge of the Monitor on filing of the Monitor's Termination Certificate will allow the Monitor to complete the Remaining Activities and terminate these CCAA proceedings without the expense of a further court appearance for the purpose of obtaining a discharge, and as such, will attempt to maximize the recoveries of the Debtor Companies stakeholders by reducing the overall professional costs.

23 The Monitor has acted in good faith and with due diligence, and no creditor would be prejudiced by the extension of the Stay Period, and there is no good reason not to extend the stay of the proceedings herein so that the Monitor can finalize and complete the administration of the CCAA Proceedings.

Material or evidence to be relied on:

24 The Reports of the Receiver, including the Seventh Report dated April 22nd, 2024;

25 The Pleadings in this action; and

26 The Affidavit of Gary Alexander, sworn August 4, 2022, filed August 8, 2022;

27 The inherent jurisdiction of this Honourable Court to control its own process;

28 Such further and other materials and evidence as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

29 *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

30 *Rules of Court*, Alta Reg 124/2010.

31 Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity claimed or objection relied upon:

32 None.

How the application is proposed to be heard or considered:

33 Before the Honourable Justice Neufeld on the Calgary Commercial List via Webex, or so soon thereafter as the Court may permit.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE A

COURT FILE NUMBER	2201-08920	Clerk's stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
	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 OR ARRANGEMENT OF NORTH AMERICAN LAMB COMPANY LTD., CANADA SHEEP AND LAMB FARMS LTD., CANADA SHEEP HOLDINGS LTD., LAMB CLUB MARKETING LIMITED, CANADA LAMB GROWERS LTD., CANADA LAMB PROCESSORS LTD. and CANINE FAIR LTD.	
PARTY FILING THIS DOCUMENT	ERNST & YOUNG INC., IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF THE DEBTOR COMPANIES	
DOCUMENT	**CONDITIONAL TERMINATION ORDER**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Norton Rose Fulbright Canada LLP 400 3rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 CANADA Howard A. Gorman, K.C. / Erin Colwell howard.gorman@nortonrosefulbright.com erin.colwell@nortonrosefulbright.com Tel: +1 403.267.8222 Fax: +1 403.264.5973 Lawyers for the Monitor, Ernst & Young Inc. File no.: 1001221818	

DATE ON WHICH ORDER WAS PRONOUNCED:	May 1, 2024
LOCATION WHERE ORDER WAS PRONOUNCED:	Calgary, Alberta (Via Webex)
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Justice Neufeld

UPON THE APPLICATION of Ernst & Young Inc., in its capacity as the Court-appointed monitor (the **Monitor**) of the undertaking, property and assets of North American Lamb Company Ltd. (**NALCO**) and its subsidiaries, Canada Sheep and Lamb Farms Ltd., Canada Sheep Holdings Ltd., Lamb Club Marketing Limited, Canada Lamb Growers Ltd., Canada Lamb Processors Ltd., and Canine Fare Ltd. (collectively, the **Debtor Companies** or the **NALCO Group**) for the Conditional Termination Order, AND UPON having read the Monitor's Seventh Report dated April 22, 2024 (the **Seventh Report**); AND UPON hearing counsel for the Monitor, and any other party that may be present; AND UPON being satisfied that it is appropriate to do so, **IT IS ORDERED THAT:**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and 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;

2. The fees, disbursements and costs of the Monitor and the Monitor's legal counsel, Norton Rose Fulbright Canada LLP, as set out in the Seventh Report, and in all of its other reports filed herein, are hereby approved.

3. The professional fees, disbursements and costs of the Monitor and the Monitor's Legal Counsel, Norton Rose Fulbright Canada LLP, from the date of this Order to the date of the filing of the Termination Certificate are pre-authorized and pre-approved.

4. The Monitor's conduct and activities as set out in the Seventh Report of the Monitor and in all of its other reports filed herein are hereby ratified and approved.

5. The Monitor is authorized and directed to finalizing the Remaining Activities, as set out in paragraph 33 of the Seventh Report.

6. The Monitor is authorized to have all of the remaining books and records of the Debtor Companies destroyed.

7. On the evidence before the Court, the Monitor has satisfied its obligations under and pursuant to the terms of the Amended and Restated Initial Order, granted by the Honourable Justice R.A. Neufeld on August 17, 2022, and all Orders granted in the within proceedings up to and including the date hereof, and the Monitor shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the part of the Monitor, or with leave of the Court. Subject to the foregoing any claims against the Monitor in connection with the performance of its duties are hereby stayed, extinguished and forever barred.

8. Upon the Monitor filing with the Clerk of the Court a certificate in the form attached hereto as Appendix "A" confirming that all matters set out in paragraph 5 of this Order have been completed, then:

(a) the Monitor shall be discharged as Monitor of the Debtor Companies, provided however, that notwithstanding its discharge herein (a) the Monitor shall remain Monitor for the performance of such incidental duties as may be required to complete the administration of the CCAA proceeding herein, and (b) the Monitor shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

(b) these CCAA proceedings will be deemed terminated without further Order of this Court.

9. The Stay Period as ordered and defined in paragraph 13 of the Initial Order granted herein on August 8, 2022, as amended and restated by Amended and Restated Initial Order granted on August 17, 2022, is hereby extended to and including the earlier of:

(a) the date of filing of the Termination Certificate by the Monitor with the Court; and

(b) September 2nd, 2024.

10. The Monitor is granted leave to apply to this Court for advice and directions as may be necessary to carry out the terms of the Order sought.

11. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by Facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

12. Service of this Order on any party not attending this application is hereby dispensed with.

____

Justice of the Court of King's Bench
of Alberta

APPENDIX A

COURT FILE NUMBER	2201-08920	Clerk's stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
	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 OR ARRANGEMENT OF NORTH AMERICAN LAMB COMPANY LTD., CANADA SHEEP AND LAMB FARMS LTD., CANADA SHEEP HOLDINGS LTD., LAMB CLUB MARKETING LIMITED, CANADA LAMB GROWERS LTD., CANADA LAMB PROCESSORS LTD. and CANINE FAIR LTD.	
PARTY FILING THIS DOCUMENT	ERNST & YOUNG INC., IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF THE DEBTOR COMPANIES	
DOCUMENT	**TERMINATION CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Norton Rose Fulbright Canada LLP 400 3rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 CANADA Howard A. Gorman, K.C. / Erin Colwell howard.gorman@nortonrosefulbright.com erin.colwell@nortonrosefulbright.com Tel: +1 403.267.8222 Fax: +1 403.264.5973 Lawyers for the Monitor, Ernst & Young Inc. File no.: 1001221818	

RECITALS

(A) Pursuant to an Order of the Court of King's Bench of Alberta dated August 8, 2022, Ernst & Young Inc. was appointed a the monitor (the **Monitor**) of North American Lamb Company Ltd. (**NALCO**) and its subsidiaries, Canada Sheep and Lamb Farms Ltd., Canada Sheep Holdings Ltd., Lamb Club Marketing Limited, Canada Lamb Growers Ltd., Canada Lamb Processors Ltd., and Canine Fare Ltd. (collectively, the Debtor Companies or the **NALCO Group**).

(B) Pursuant to an Order of the Court of King's Bench of Alberta dated May 1, 2024, the Monitor shall be discharged, and these proceedings shall be terminated upon the Monitor filing this Termination Certificate.

THE MONITOR HEREBY CERTIFIES the following:

1. All of the steps required to complete these proceedings have been completed as of this ______ day of __________________, 2024.

ACCORDINGLY, the Monitor is hereby discharged and these proceedings terminated.

ERNST & YOUNG INC. in its capacity as the Court-appointed Monitor of the Debtor Companies and not in its personal capacity.

Per:_________________________

Name:

Title:

~~Clerk's stamp:~~

~~COURT FILE NUMBER~~

~~COURT OF QUEEN'S BENCH OF ALBERTA JUDICIAL~~

~~CENTRE~~

~~PLAINTIFF~~

~~DEFENDANTS~~

~~DOCUMENT~~ **~~ORDER FOR FINAL DISTRIBUTION, APPROVAL OF RECEIVER'S FEES AND DISBURSEMENTS, APPROVAL OF RECEIVER'S ACTIVITIES AND DISCHARGE OF RECEIVER~~**

~~ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT~~

COURT FILE NUMBER	2201-08920	Clerk's stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
	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 OR ARRANGEMENT OF NORTH AMERICAN LAMB COMPANY LTD., CANADA SHEEP	

May 1, 2024

AND LAMB FARMS LTD., CANADA SHEEP HOLDINGS LTD., LAMB CLUB MARKETING LIMITED, CANADA LAMB GROWERS LTD., CANADA LAMB PROCESSORS LTD. and CANINE FAIR LTD.

~~Phone:~~ ~~Fax:~~

PARTY FILING THIS DOCUMENT	ERNST & YOUNG INC., IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF THE DEBTOR COMPANIES
DOCUMENT	**CONDITIONAL TERMINATION ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Norton Rose Fulbright Canada LLP 400 3rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 CANADA Howard A. Gorman, K.C. / Erin Colwell howard.gorman@nortonrosefulbright.com erin.colwell@nortonrosefulbright.com Tel: +1 403.267.8222 Fax: +1 403.264.5973 Lawyers for the Monitor, Ernst & Young Inc. File no.: 1001221818

~~Lawyer's Name:~~
~~Lawyer's Email:~~
~~File No.:~~

DATE ON WHICH ORDER WAS PRONOUNCED: ____________

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta (Via Webex)

NAME OF ~~MASTER/~~JUDGE WHO MADE THIS ORDER: The Honourable Justice Neufeld

UPON THE APPLICATION of ~~[Receiver's Name]~~Ernst & Young Inc., in its capacity as the Court-appointed ~~receiver~~monitor (the ~~"Receiver")~~**Monitor**) of the undertaking, property and assets of ~~[Name of~~ North American Lamb Company Ltd. (**NALCO**) and its subsidiaries, Canada Sheep and Lamb Farms Ltd., Canada Sheep Holdings Ltd., Lamb Club Marketing Limited, Canada Lamb Growers Ltd., Canada Lamb Processors Ltd., and Canine Fare Ltd. (collectively, the **Debtor**~~] (the "Debtor") for~~

~~an~~ **Companies** or the **NALCO Group**) for the Conditional Termination Order~~ for the final distribution of proceeds, approval of the Receiver's fees and disbursements; approval of the Receiver's activities and discharge of the Receiver~~[1], AND UPON ~~hearing~~having read the ~~Receiver's [Number of the Report]~~Monitor's Seventh Report dated ~~[Date of~~ April 22, 2024 (the **Seventh Report**~~] (the~~

~~"Receiver's Report");~~[2]); AND UPON hearing counsel for the ~~Receiver, counsel for the Debtor~~Monitor, and

---

[1] ~~It~~ any other party that may be ~~appropriate to also seek the direction of the Court in dealing with the preservation of financial statements and other business records. See section 21 *Alberta Business Corporations Act* RS.A. 2000 c.B-9 as amended and sections 68 (2), (3) and 34 (1) and Directive 17 of the *Bankruptcy & Insolvency Act* R.S.C. 1985 c. B-3 as amended.~~

[2] ~~As a result of the case of Re Winalta Inc., 2011 ABQB 399, 2011 Carswell Alta 2237 (Alta Q.B.), some judges require, in addition to the Receiver's Report, an Affidavit from a representative of the Receiver deposing to certain issues discussed in , 2011 ABQB 399, 2011 Carswell Alta 2237 (Alta Q.B.), an Affidavit from a representative of the Receiver deposing to certain issues discussed in Re Winalta~~

~~counsel for various creditors~~present; AND UPON being satisfied that it is appropriate to do so, **IT IS ORDERED THAT:**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and 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;

2. ~~.~~The ~~Receiver's accounts for~~ fees~~ and~~, disbursements and costs of the Monitor and the Monitor's legal counsel, Norton Rose Fulbright Canada LLP, as set out in the ~~Receiver's~~Seventh Report~~.~~, and in all of its other reports filed herein, are hereby approved~~ without the necessity of a formal passing of its accounts~~.

3. The ~~accounts of the Receiver's legal counsel [Name of Counsel], for its~~professional fees~~ and~~, disbursements~~, as set out in~~ and costs of the Monitor and the ~~Receiver's Report are hereby approved without~~Monitor's Legal Counsel, Norton Rose Fulbright Canada LLP, from the ~~necessity~~date of this Order to the date of ~~a formal assessment~~the filing of ~~its accounts~~the Termination Certificate are pre-authorized and pre-approved.

4. The ~~Receiver's~~ Monitor's conduct and activities as set out in the ~~Receiver's~~Seventh Report of the Monitor and in all of its other reports filed herein~~, and the Statement of Receipts and Disbursements as attached to the Receiver's Report,~~ are hereby ratified and approved.

5. The ~~Receiver~~Monitor is authorized and directed to ~~make the following distributions:~~finalizing the Remaining Activities, as set out in paragraph 33 of the Seventh Report.

~~(a) [SET OUT SPECIFIC DISTRIBUTIONS IF ANY];~~[3]

6. The Monitor is authorized to have all of the remaining books and records of the Debtor Companies destroyed.

~~2.~~ On the evidence before the Court, the ~~Receiver~~Monitor has satisfied its obligations under and pursuant to the terms of the Amended and Restated Initial Order, granted by the Honourable Justice R.A. Neufeld on August 17, 2022, and all Orders granted in the within proceedings up to and including the date hereof, and the ~~Receiver~~Monitor shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the part of the ~~Receiver~~Monitor, or with leave of the

~~6.~~7. Court. Subject to the foregoing any claims against the ~~Receiver~~Monitor in connection with the performance of its duties are hereby stayed, extinguished and forever barred.[4]

~~and confirming that the Receiver's accounts are fair and reasonable. This may be required in order to obtain the relief set out in paragraph 2 of the model Order.~~

~~[3] This model Template Order assumes that the material filed supports the proposed distribution(s) to a specific secured creditor or other party.~~

~~[4] The model Template Order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The form of conditional release language set out in paragraphs 6 and 7 is the standard form generally accepted by the Alberta Courts at this time. If an applicant requires a more specific or general release, then she should present material to the Court which justifies a broader release. An example of a broader release is:~~

~~**"The Receiver is hereby released and discharged from any and all liability that the Receiver now has or may hereafter have, by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver herein,**~~

~~save and except for any gross negligence or willful misconduct on the part of the Receiver."~~

~~3. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.~~

~~4.~~ Upon the ~~Receiver~~Monitor filing with the Clerk of the Court a ~~sworn Affidavit of a licensed Trustee employed by~~certificate in the ~~Receiver~~form attached hereto as Appendix "A" confirming that~~:~~

~~7.~~8. ~~All~~ all matters set out in paragraph 5 of this Order have been completed~~; and~~, then:

~~(a) (LIST OTHER OUTSTANDING MATTERS, IF ANY, THAT HAVE BEEN COMPLETED)[5]~~

(a) ~~then~~ the ~~Receiver~~Monitor shall be discharged as ~~Receiver~~Monitor of the Debtor Companies, provided however, that notwithstanding its discharge herein (a) the ~~Receiver~~Monitor shall remain ~~Receiver~~Monitor for the performance of such incidental duties as may be required to complete the administration of the ~~receivership~~CCAA proceeding herein, and (b) the ~~Receiver~~Monitor shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

(b) these CCAA proceedings will be deemed terminated without further Order of this Court.

9. The Stay Period as ordered and defined in paragraph 13 of the Initial Order granted herein on August 8, 2022, as amended and restated by Amended and Restated Initial Order granted on August 17, 2022, is hereby extended to and including the earlier of:

(a) the date of filing of the Termination Certificate by the Monitor with the Court; and

(b) September 2nd, 2024.

10. The Monitor is granted leave to apply to this Court for advice and directions as may be necessary to carry out the terms of the Order sought.

~~8.~~11. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by Facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

~~9.~~12. ~~10.~~ Service of this Order on any party not attending this application is hereby dispensed with.

Justice of the Court of ~~Queen's~~King's Bench of Alberta

[5] ~~Any additional outstanding matters should be set out in a schedule attached to the model Order.~~