

Schedule "C"

2016

Hfx. No. 454744

Supreme Court of Nova Scotia

Application by Victory Farms Incorporated and Jonathan Mullen Mink
Ranch Limited (the "Applicants") for relief under the *Companies' Creditors
Arrangement Act*

2nd Charging Order

Before the Honourable Justice Glen G. McDougall in chambers:

The Applicants applied for relief under the *Companies' Creditors Arrangement Act* including an initial order, which has been granted, and further orders on further motions;

The initial order was granted on the 31st day of August, 2016 (the "Initial Order"), a Charging Order ("the Initial Charging Order") was granted on September 27, 2017, and the Applicants now move for an order providing certain additional Charges in priority to existing security by way of amendment to the Initial Charging Order;

The Applicants have filed supporting documents including the affidavit of service of Tim Hill, Q.C. (the "Affidavit of Service"), the affidavit of Jonathan Mullen, and a report of the Monitor.

The following parties appeared and made submissions on the motion: Tim Hill, Q.C., on behalf of the Applicants, Maurice P. Chaisson, Q.C., on behalf of American Legend Cooperative ("ALC"), Brian W. Stilwell, on behalf of North American Fur Auctions Inc., Gavin D.F. MacDonald on behalf of Farm Credit Canada, and Ben Durnford on behalf of the Monitor, Deloitte Restructuring Inc.

On motion of the Applicants the following is ordered and declared:

Service

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

Interpretation

2. All capitalized words used in this Order that are not otherwise defined in this Order have the meanings ascribed to them in the Initial Order.

DIP Financing and Charge

3. The Initial Charging Order is amended in the following respect:
 - (a) Paragraph 3 thereof is amended so as to increase the allowed borrowings from \$1,500,000 to \$3,000,000;
 - (b) Paragraph 6 thereof is amended as follows:
 6. The DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the property of the Applicants limited to limited to a charge over the livestock (mink) of the Applicants, including breeding stock, the pelts derived therefrom ("the Mink"), but also including cash derived from advances from the DIP Lender and accounts receivable derived from the sale of the Mink ("the DIP Charged Property"), and the proceeds thereof, as security for any and all obligations of the Applicants under or pursuant to the DIP Facility and the DIP Term Sheet, which charge shall not exceed the aggregate amount owed to the DIP Lender under the DIP Facility and the DIP Term Sheet. The DIP Lender's Charge shall have the priority set out herein.
4. All other provisions of the Initial Order shall apply *mutatis mutandis*.

Service and Notice

5. The Applicants and the Monitor shall serve a copy of this Order on all secured creditors of the Applicants and shall be at liberty to serve this Order on such other Persons as it determines is appropriate. All such service shall be made in accordance with the provisions of the Initial Order.

General

6. The aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction outside Nova Scotia is hereby 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, or 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.
7. Each of the Applicants and the Monitor be at liberty and is 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.
8. Any interested party, including the Applicants and the Monitor, may apply to this Court to vary or amend this Order on such notice provided for under the *Civil Procedure Rules* or on such notice as this Court may order.
9. This Order and all of its provisions are effective as of 12 a.m. Atlantic Standard Time on the 14th day of February, 2017.

Issued February 14, 2017

Prothonotary