



Court File No.: 35-1842432T

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)
)
JUSTICE GRACE)

TUESDAY, THE 23rd
DAY OF OCTOBER, 2018

BETWEEN:

CAISSE POPULAIRE POINTE-AUX-ROCHES-TECUMSEH INC.

Plaintiff

and

G.I. FARMS INC., VANTEC USA ONTARIO INC., 2287188 ONTARIO INC., 2027512
ONTARIO INC. and 1690169 ONTARIO INC.

Defendants

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of G.I. Farms Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and CEN Fresh Farms Inc. (as successor in interest to Brian S. Payne) (the "**Purchaser**") dated September 14, 2018, and a redacted version of which is appended to the Third Report of the Receiver dated October 18, 2018 (the "**Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 80 Dundas Street, London, Ontario.

ORDER ENTERED
OCT 23 2018
4576

ON READING the Report and on hearing the submissions of counsel for the Receiver and the Applicant, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Victoria Gifford sworn October 18, 2018 filed:

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that the motion is properly returnable today and hereby dispenses with further service thereof

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or

been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Honourable Justice Mitchell in Orders dated May 30, 2016 and June 28, 2018; the Order of the Honourable Justice Templeton dated December 20, 2017; and the Order of Justice Grace dated March 22, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in Land Registry Office #12 for the Land Titles Division of Essex of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds

from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT ORDERS** that the Confidential Brief of the Receiver, be and are hereby sealed until the earlier of: (i) closing of the sale contemplated by the APS; or (ii) further Order of the Court.

10. **THIS COURT ORDERS** that on closing of the Transaction, the Receiver is hereby authorized and directed to hold \$50,000 from the net proceeds of the Transaction in trust and not release same without: (a) consent of the Receiver and the Purchaser; or (b) further Order of the Court.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give

effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

J. Nece J.
C. Nece J.

Schedule A – Form of Receiver’s Certificate

Court File No.: 35-1842432T

**ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N:

CAISSE POPULAIRE POINTE-AUX-ROCHES-TECUMSEH INC.

Plaintiff

and

G.I. FARMS INC., VANTEC USA ONTARIO INC., 2287188 ONTARIO INC., 2027512
ONTARIO INC. and 1690169 ONTARIO INC.

Defendants

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Templeton of the Ontario Superior Court of Justice, Commercial List (the “**Court**”) dated December 20, 2017, BDO Canada Limited was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of G.I. Farms Inc. (the “**Debtor**”).

B. Pursuant to an Order of the Court dated October 23, 2018, the Court approved the agreement of purchase and sale made as of September 14, 2018 (the “**Sale Agreement**”) between the Receiver and CEN Fresh Farms Inc. (as successor in interest to Brian S. Payne) (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the



Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at «time» on «date».

BDO Canada Limited, in its capacity as Receiver of the undertaking, property and assets of G.I. Farms Inc. and not in its personal capacity

Per: _____
Name:
Title:



Schedule B – Purchased Assets

Real Property bearing property description: PT S1/2 LT 263 CON STR GOSFIELD AS IN R1548514; S/T GS14714; KINGSVILLE, being the whole of the PIN 75149-0175 (LT), and municipally known as 2980 South Talbot Road, Cottam, Ontario

Schedule C – Claims to be deleted and expunged from title to Real Property

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
CE590665	2013/11/15	Charge	\$8,000,000	G.I. Farms Inc.	Caisse Populaire Pointe-aux-Roches-Tecumseh Inc.
CE754800	2017/01/18	Charge	\$1,600,000	G.I. Farms Inc.	Riolo, Stefano
CE754801	2017/01/18	Charge	\$1,600,000	G.I. Farms Inc.	2547950 Ontario Inc.
CE775226	2017/06/08	Charge	\$400,000	G.I. Farms Inc.	Riolo, Stefano
CE790538	2017/09/01	Construction Lien	\$16,759	Windsor Building Centre Inc.	
CE794232	2017/09/22	Construction Lien	\$252,305	2217273 Ontario Inc. o/a Gryphon Automation	
CE801315	2017/10/31	Certificate		2217273 Ontario Inc.	
CE802435	2017/11/06	Certificate		Windsor Building Centre Inc.	
CE810636	2017/12/27	APL TR BK-OWNER		G.I. Farms Inc.	BDO Canada Limited

DS

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

All Encumbrances, Easements and Restrictive Covenants not listed in Schedule "C".



CAISSE POPULAIRE POINTE-AUX-ROCHES-TECUMSEH INC.

G.I. FARMS INC. et al.

and

Plaintiff

Defendants

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**ONTARIO
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Proceeding commenced at London

APPROVAL AND VESTING ORDER

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Lawyers for the Receiver