

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 9TH DAY OF
)
JUSTICE D. M. BROWN) JANUARY, 2014

B E T W E E N:

8527504 CANADA INC.

Applicant

- and -

SUN PAC FOODS LIMITED

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3 AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C-43, AS AMENDED

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO CANADA LIMITED in its capacity as the Court-appointed receiver (the "Receiver") of the undertakings, properties and assets of SUN PAC FOODS LIMITED (the "Debtor"), for an Order approving the sale transaction (the "Transaction") contemplated by the Liquidation Services Agreement (the "Liquidation Agreement") negotiated between the Receiver and Maynards Industries Inc. (the "Liquidation Party"), and vesting in each purchaser (each a "Purchaser") of assets described in the Liquidation Agreement (the "Purchased Assets"), all of the Debtor's

right, title and interest in such Purchased Assets, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated January 3, 2014, (the "First Report"), the Confidential Supplement to the First Report of the Receiver dated January 3, 2014 (the "Confidential Report") and on hearing the submissions of counsel for the Receiver, and such other parties in attendance at the hearing as indicated on the counsel slip.

1. THIS COURT ORDERS that the time for service of the Notice of Motion and Motion Record is hereby abridged so that this motion is properly returnable today and further service thereof is hereby dispensed with.
2. THIS COURT ORDERS that the First Report and the Confidential Report and the activities of the Receiver set out therein be and the same are hereby approved.
3. THIS COURT ORDERS that the Confidential Report be and is hereby sealed until the completion of the Transaction or until further order of this Court.
4. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved and that the Liquidation Agreement is commercially reasonable and in the best interest of the Debtor and its stakeholders. The execution of the Liquidation 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 to execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of any of the Purchased Assets of the Debtor sold to any Purchaser in accordance with the Liquidation Agreement (each an "Auctioned Asset" and collectively the "Auctioned Assets").

5. THIS COURT ORDERS that upon the Liquidation Party completing the sale of any of the Auctioned Assets to a Purchaser in accordance with the terms of the Liquidation Agreement, and delivering a bill of sale to such a Purchaser (a "Bill of Sale"), all of the Debtor's right, title and interest in and to the Auctioned Assets described in such Bill of Sale shall vest absolutely in such 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 Order of the Honourable Madam Justice Mesbur dated November 12, 2013; (ii) all charges, security interests and claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) any royalty claims whatsoever.
6. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of any Auctioned Asset shall stand in the place and stead of that Auctioned Asset, and that from and after the delivery to the relevant Purchaser of the Bill of Sale conveying such Auctioned Asset, all Claims shall attach to the net proceeds from the sale of the Auctioned Asset with the same priority as they had with respect to the Auctioned Asset immediately prior to the sale, as if the Auctioned Asset had not been sold and remained in the possession or control of the person having that possession nor control immediately prior to the sale.
7. 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;

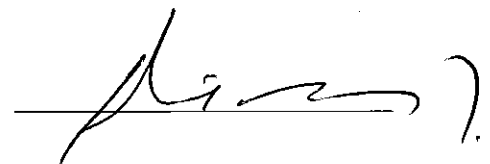
the vesting of the Purchased Assets in any Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor nor shall it constitute nor be deemed to be a settlement, fraudulent preference, 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.

- 8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).
- 9. 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.

ENTRÉ EN FORCE / ENREGISTRÉ À TORONTO
ON / ODDT (NO):
LE / DANS LE RÉGISTRE NO.:

JAN 09 2014

NB



8527504 CANADA INC.
Applicant

-and-

SUN PAC FOODS LIMITED
Respondent

Court File No. CV13-10331-00CL

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Proceeding commenced at
TORONTO

APPROVAL AND VESTING ORDER

LIPMAN, ZENER & WAXMAN LLP
Barristers and Solicitors
1220 Eglinton Avenue West
Toronto, Ontario
M6C 2E3

JASON D. SPETTER
Law Society Registration No. 461055

ANTHONY J. O'BRIEN
Law Society Registration No. 27440E
Tel.: (416) 789-0652
Fax: (416) 789-9015
Emails: jspetter@lzwlaw.com;
tobrien@lzwlaw.com

Lawyers for the Receiver