



No. **B-180285**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
PUREWAL BLUEBERRY FARMS LTD.

ORDER MADE AFTER APPLICATION

BEFORE))
) THE HONOURABLE JUSTICE) 30/May/2018
)
) *Madam*
)
) *Young.*

ON THE APPLICATION of Purewal Blueberry Farms Ltd. ("Purewal") coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on Wednesday, May 30, 2018 and on hearing Christopher J. Ramsay, counsel for Purewal, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed; AND PURSUANT TO the *Bankruptcy and Insolvency Act*, R.S.C. 1983 c. B-3 (the "BIA") and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS that:

1. The time for service of the Notice of Application herein be and is hereby abridged such that the Notice of Application is properly returnable today and service thereof on any interested party is hereby dispensed with.
2. The stay of proceedings and the time for the filing of a Proposal by Purewal be extended to July 13, 2018.
3. An administrative charge for the benefit of and in favour of the Proposal Trustee, its counsel, and counsel for Purewal (collectively, the "Professionals") on Purewal's current and future assets, undertakings and properties of every nature and every kind whatsoever and wherever situate including all proceeds thereof, including any beneficial interest held by Purewal for and on behalf of 0726357 B.C. Ltd., 0726365 B.C. Ltd., and 0726368 B.C. Ltd. in any lands registered in the name of Purewal

(collectively, the "**Property**"), not to exceed the amount of \$200,000.00 (the "**Administrative Charge**"), as security for payment of their respective professional fees and disbursements incurred at their standard rates, both before and after the making of this order, in this proceeding, is hereby approved.

The DIP Lender's Charge

4. Purewal is hereby authorized and empowered to obtain and borrow under a credit facility from Blueberry Holding (GP) Ltd. (the "**DIP Lender**") in order to finance its working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility (the "**DIP Loan**") shall not exceed the principal amount of \$500,000 (Five Hundred Thousand Dollars) unless permitted by further Order of this Court.

5. The DIP Loan shall be on the terms and subject to the conditions set forth in the Term Sheet between the DIP Lender and Purewal dated May 24, 2018.

6. For the purpose of and to the extent required to secure the authorized borrowings under the DIP Loan, Purewal is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and Purewal is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Term Sheet and the Definitive Documents (collectively, the "**Obligations**") as and when the same become due and are to be performed, notwithstanding any other provision of this Order or the BIA.

7. Purewal is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Loan and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order or any other Order made in these proceedings.

8. The DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") for all amounts provided for in the Term Sheet limited to \$500,000 (Five Hundred Thousand Dollars) on all of the Property, and for greater certainty which DIP Lender's Charge shall not secure an obligation owing to the DIP Lender that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 15-16 hereof.

9. Notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

- (b) upon the occurrence of an event of default under the Term Sheet, the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon seven (7) days' notice to Purewal and the Trustee, may exercise any and all of its rights and remedies against Purewal or the Property under or pursuant to the Term Sheet, Definitive Documents and the DIP Lender's Charge, including, without limitation, to cease making advances to Purewal, set off and/or consolidate any amounts owing by the DIP Lender to Purewal against the obligations of Purewal to the DIP Lender under the Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against Purewal; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of Purewal or the Property.

10. Notwithstanding the foregoing or any other provision of this Order, the DIP Lender shall not enforce any security (or exercise any right of set-off or combination of accounts) under or pursuant to the Term Sheet, Definitive Documents or the DIP Lender's Charge against Purewal or its Property without the prior leave of this Court, provided that the DIP Lender may deliver to Purewal demand and notice and exercise acceleration rights without leave of the Court.

11. The DIP Lender's Charge is in addition to any existing security granted by Purewal or any other person or entity to the DIP Lender (collectively, the "**Existing Security**"), which existing security is not restricted by paragraph 10 hereof. All liabilities and obligations of Purewal under the DIP Loan and the Definitive Documents shall be secured by the Existing Security and the DIP Lender's Charge.

12. Upon reasonable notice to Purewal, the DIP Lender and its advisors shall, subject to claims of privilege, have clear and unfettered access to the books and records of Purewal and such other information as the DIP Lender or its advisors reasonably request.

13. The DIP Lender shall be treated as unaffected in the proposal filed by Purewal under the BIA, or any plan filed by Purewal under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), with respect to any advances made under the DIP Loan, the Term Sheet or the Definitive Documents. The stay of proceedings provided for in this proceeding shall not apply to the DIP Lender or its rights under or in respect of the DIP Loan, the Term Sheet, the Existing Security or the Definitive Documents.

Priority of the Charges Created Under this Order

14. The filing, registration or perfection of the DIP Lender's Charge or the Administrative Charge shall not be required, and the DIP Lender's Charge and the

Administrative Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the DIP Lender's Charge or the Administrative Charge coming into existence, notwithstanding any such failure to file, register, record or perfect, and that the DIP Lender's Charge and the Administrative Charge shall immediately attach to the Property.

15. The Administrative Charge shall constitute a mortgage, security interest and charge on the Property and such charge shall rank in priority to all other security interests, trusts, liens, charges, encumbrances, or other secured claims (collectively, "**Encumbrances**") in favour of any person or entity (a "**Person**") other than the DIP Lender's Charge.

16. The DIP Lender's Charge shall constitute a mortgage, security interest and charge on the Property and such charge shall rank in priority to all the Encumbrances in favour of any Person.

17. Except as otherwise expressly provided for herein, or as may be approved by this Court, Purewal shall not grant any Encumbrances over any Property that ranks in priority to, or *pari passu* with the Administrative Charge or the DIP Lender's Charge.

18. The Term Sheet, the Definitive Documents, the Administrative Charge, or DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the DIP Lender and Professionals thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application for bankruptcy order 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 initiation of any other proceedings under the BIA; (e) the initiation of any proceedings under the *Companies' Creditors Arrangement Act* ("**CCAA**"); (f) the provisions of any federal or provincial statutes; or (g) 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**") which binds Purewal, and notwithstanding any provision to the contrary in any Agreement.

19. Neither the creation of the DIP Lender's Charge nor the execution, delivery, perfection, registration or performance of the Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by Purewal of any Agreement to which any of it is a party.

20. The DIP Lender shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from Purewal entering into the Term Sheet, the creation of the DIP Lender's Charge, or the execution, delivery or performance of the Definitive Documents; and payments made by the Purewal pursuant to this Order, the Term Sheet or the Definitive Documents, and the granting of the DIP Lender's Charge and Administrative Charge, does not and will not constitute a

preference, fraudulent conveyance, transfer at undervalue, oppressive conduct, a settlement or other challengeable or voidable transaction under any applicable law.

21. The DIP Lender's Charge created by this Order, insofar as it is a charge over leases of real property in Canada, shall only be a charge in any Purewal's interest in such real property leases. If the DIP Lender's Charge does not attach to any Property in accordance with this section, Purewal shall hold its respective interest in such lease, sublease, offer to lease or other contract or any proceeds therefrom in trust for the DIP Lender.

Service and Notice

22. Purewal and the Proposal Trustee be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to any of Purewal's creditors or other interested parties at their respective addresses as last shown on the records of Purewal and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

23. Purewal, the Trustee, and any party who has filed an Application Response may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsel's email addresses as recorded on the Service List from time to time.

General

24. This Court 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 Purewal, the 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 orders and to provide such assistance to Purewal and to the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Trustee in any foreign proceeding, or to assist Purewal and the Trustee and their respective agents in carrying out the terms of this Order.

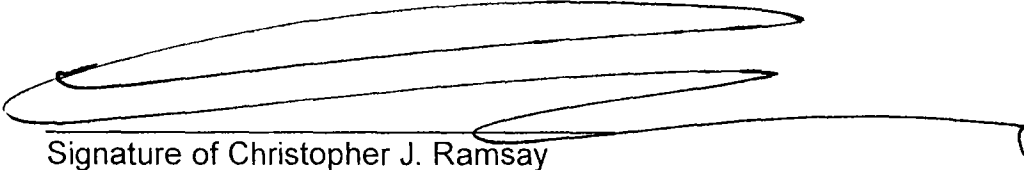
25. Purewal, the Trustee and the DIP Lender be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having this Order or these proceedings recognized in a jurisdiction outside Canada.

26. This Order and all of its provisions are effective as of 12:01 a.m. local time on the date of this Order.

27. Any party that is affected by this Order is at liberty to apply within 7 days of this Order to vary the terms.

28. Endorsement of this Order by counsel appearing on this application other than counsel for Purewal is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

A large, stylized handwritten signature in black ink, appearing to be 'C. Ramsay', written over a horizontal line.

Signature of Christopher J. Ramsay
Lawyer for Purewal Blueberry Farms Ltd.

BY THE COURT 

Registrar

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File No.: 47153-0001

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