



Form 32 (Rule 8-1(4))

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.

NOTICE OF APPLICATION

Name of Applicant: Purewal Blueberry Farms Ltd.

To: the Service List, attached as **Schedule "A"**

TAKE NOTICE that an application will be made by the Applicant, Purewal Blueberry Farms Ltd. ("**Purewal**") to the presiding Judge at the Courthouse at 800 Smithe Street, Vancouver, British Columbia on Wednesday, May 30, 2018 at 9:45 a.m. for the Orders set out in Part 1 below.

PART 1: ORDER SOUGHT

1. An Order, substantially in the form attached hereto as **Schedule "B"**, among other things
 - (a) abridging the time for service of this Notice of Application, such that the application is properly returnable on this date;
 - (b) extending the time for filing a proposal pursuant to s. 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1983 c. B-3 (the "**BIA**") to July 13, 2018;
 - (c) approving the interim financing of Purewal Blueberry Farms Ltd. ("**Purewal**") by Blueberry Holdings (GP) Ltd. (in such capacity, the "**DIP Lender**") substantially in accordance with the terms of the Term Sheet dated May 24, 2018;
 - (d) granting the following priority charges over the assets of Purewal, which charges shall rank in the priority set out in the proposed order:

- (i) a priority charge in favour of the Proposal Trustee and counsel to the Proposal Trustee for Purewal in the amount of \$200,000 (Two Hundred Thousand Dollars) (the "**Administrative Charge**");
 - (ii) a priority charge in favour of Blueberry Holdings (GP) Ltd. (the "**DIP Lender**") to secure all amounts owing under the Term Sheet limited to \$500,000 (Five Hundred Thousand Dollars); and
2. such further and other relief as this Honourable Court may deem just.

PART 2: FACTUAL BASIS

1. Purewal has been in the business of the production, processing and packing of blueberries since 1981.
2. Purewal has been facing challenges in its business resulting from increased competition, inability to make the necessary changes to its business model, and a looming cash flow crisis that rendered it insolvent and unable to meet its financial obligations.
3. Purewal is in default with certain of its secured lenders and has obligations owing to CRA, and other creditors. Currently it has no working capital and has ongoing post-filing obligations that need to be paid, including utilities, wages and insurance premiums.
4. Blueberry Holding (GP) Ltd (an arm's length lender) demanded repayment of its loan in full and commenced foreclosure proceedings with an Order Nisi being made on January 11, 2018 in the amount of \$10,663,408.79 plus per diem interest at \$4,223.11.
5. On April 16, 2018 an Order approving the sale of lands held by Newberry Farms Ltd. (a wholly owned subsidiary of Purewal) was pronounced in the amount of \$8.0M. This reduced the amount owing to Blueberry Holding (GP) Ltd. to approximately \$3.5M.
6. Management of Purewal, with the assistance of its advisors, and input from its senior secured lender, reviewed its restructuring options and expects that it will be in a position to formulate a proposal to its creditors through implementation of a solicitation, investment and sales process ("**SISP**") for some of its assets. Ultimately, it was determined that the best alternative in order to preserve the business as a going concern would be to pursue the implementation of a sale transaction or other restructuring alternative through a proposal proceeding under the BIA.
7. On May 9, 2018 Purewal filed a Notice of Intention to File a Proposal (the "**NOI**") pursuant to section 50.4 of the BIA. FTI Consulting Inc. was appointed as Proposal Trustee. The stay of proceedings expires May 30, 2018.

8. The Proposal Trustee is exploring restructuring options with Purewal which may involve a sales, investment and solicitation process (“SISP”), which would be conducted independently by the Proposal Trustee.

The DIP Loan

9. Purewal is presently facing a severe liquidity crisis and, absent further funding, it is out of liquidity needed to fund its operations.
10. The DIP Lender has agreed to provide \$500,000 of interim financing (the “DIP Loan”) to Purewal pursuant to the terms of the Term Sheet.
11. Without the DIP Loan, Purewal will be unable to finance its operations or its efforts to restructure its business.

The Administrative Charge

12. The DIP Loan is subject to court approval of the Term Sheet and the granting of a first priority court-ordered charge over all of the assets of Purewal.
13. Purewal will require the participation of the Proposal Trustee, the Proposal Trustee’s legal counsel and its own legal counsel to assist with these NOI proceedings. Purewal is seeking the Administration Charge to secure payment of their reasonable fees and expenses.
14. The requested court-ordered charges are fair and reasonable in the circumstances and are necessary in order to complete Purewal’s objectives in this proceeding.

Status Since Filing the NOI and Current Restructuring Options being Explored

15. Since filing the NOI, Purewal has worked cooperatively with the Proposal Trustee with respect to updating its creditor list, its financial affairs, maintaining its cash flow records and financial reporting, and is considering a basic outline of a plan by which a Proposal can be formulated and presented to its creditors.
16. In any scenario, and to further all restructuring options, Purewal has been actively reducing its costs and overhead, since the filing of the NOI.

Extension of Time for Filing Proposal

17. Since the date of the filing of the NOI and the appointment of the Proposal Trustee, the Proposal Trustee has been monitoring the business and financial affairs of Purewal.
18. To the Proposal Trustee’s knowledge there have been no material negative changes to the cash-flow statements since their filing.

19. The Proposal Trustee is satisfied that:
- (a) Purewal has acted, and is acting, in good faith and with due diligence;
 - (b) Purewal's ability to make a viable proposal will be maximized if the extension being applied for was granted; and
 - (c) No creditor would be materially prejudiced if the extension being applied for was granted.

PART 3: LEGAL BASIS

1. Purewal relies on Part III, Division I of the BIA.

The DIP Loan

2. On application by a debtor in respect of whom a notice of intention was filed under section 50.4 or a proposal was filed under subsection 62(1) and on notice to the secured creditors who are likely to be affected by the security or charge, a court may make an order declaring that all or part of the debtor's property is subject to a security or charge – in an amount that the court considers appropriate – in favour of a person specified in the order who agrees to lend to the debtor an amount approved by the court as being required by the debtor, having regard to the debtor's cash flow statement referred to in paragraph 50(6)(a) or 50.4(2)(a), as the case may be. The security or charge may not secure an obligation that exists before the order is made.

3. The Court may order that the security or charge rank in priority over the claim of any secured creditor of the debtor.

4. The Court may order that the security or charge rank in priority over any security or charge arising from a previous order made under subsection (1) only with the consent of the person in whose favour the previous order was made.

5. In deciding whether to make an order, the court is to consider, among other things,

- (a) the period during which the debtor is expected to be subject to proceedings under this Act;
- (b) how the debtor's business and financial affairs are to be managed during the proceedings;
- (c) whether the debtor's management has the confidence of its major creditors;
- (d) whether the loan would enhance the prospects of a viable proposal being made in respect of the debtor;

- (e) the nature and value of the debtor's property;
- (f) whether any creditor would be materially prejudiced as a result of the security or charge; and
- (g) the trustee's report referred to in paragraph 50(6)(b) or 50.4(2)(b), as the case may be.

6. Without the proposed DIP Loan, Purewal is unable to fund its normal ongoing business operations and restructuring efforts during the proposal proceedings. No creditor will be materially prejudiced as a result of this DIP Loan. The Trustee supports the DIP Loan and has advised in the Trustee's Report that it is necessary for the restructuring.

*BIA, Section 50.6(1), Section 50.6(3), Section 50.6(4), Section 50.6(5)
Re P.J. Wallbank Manufacturing Co., [2011] CarswellOnt 15300.*

The Administrative Charge

7. On notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of a person in respect of whom a notice of intention is filed under section 50.4 or a proposal is filed under subsection 62(1) is subject to a security or charge, in an amount that the court considers appropriate, in respect of the fees and expenses of

- (a) the trustee, including the fees and expenses of any financial, legal or other experts engaged by the trustee in the performance of the trustee's duties;
- (b) any financial, legal or other experts engaged by the person for the purpose of proceedings under this Division; and
- (c) any financial, legal or other experts engaged by any other interested person if the court is satisfied that the security or charge is necessary for the effective participation of that person in proceedings under this Division.

8. The court may order that the security or charge rank in priority over the claim of any secured creditor of the person.

BIA, Section 64.2(1), Section 64.2(2)

9. The Trustee reports that given the value that appears to be available to the unsecured creditors that would result from an orderly restructuring process and the lack of liquidity in the Company, the Proposal Trustee is of the view that a Professional Charge is appropriate to ensure the continued support of the professionals in this process.

Extension of Time for Filing Proposal

10. An insolvent person may, before the expiry of the 30-day period after the day the NOI was filed, apply to the court for an extension of that period, and the court, on notice of any interested persons that the court may direct, may grant the extensions not exceeding 45 days for any individual extension, if satisfied that:

- (a) The insolvent person has acted, and is acting, in good faith and with due diligence;
- (b) The insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and
- (c) No creditor would be materially prejudiced if the extension being applied for were granted.

BIA, Section 50.4(9)

Re Royalton Banquet and Convention Centre Ltd., [2007] O.J. No. 2352.

11. Purewal has acted, and is acting, in good faith and with due diligence and continues to seek the completion of a sale transaction or investment that will lead to a proposal being filed and submitted to the creditors.

12. Purewal is unaware of any creditor which would be materially prejudiced if the extension being applied for were granted.

13. Purewal submits that, in the circumstances, the extension sought is appropriate and necessary.

14. Purewal will rely on section 183 of the BIA, Rule 3 of the BIA Rules, Rule 22-5(8) of the *Supreme Court Civil Rules* and the inherent jurisdiction of this Honourable Court.

PART 4: MATERIAL TO BE RELIED ON

- 1. Affidavit #1 of Gurdawar Purewal, made May 24, 2018.
- 2. The Proposal Trustee's First Report, dated May 25, 2018; and
- 3. Such further and other material as counsel may advise and this Honourable Court permits.

The Applicant estimates that the application will take 20 minutes.

- This matter is within the jurisdiction of a Master.
- This matter is not within the jurisdiction of a Master.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days after service of this Notice of Application:

- (a) file an Application Response in Form 33;
- (b) file the original of every Affidavit, and of every other document, that:
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding; and
- (c) serve on the Applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of filed Application Response;
 - (ii) a copy of each of the filed Affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: May 25th, 2018

Signature of Lawyer for Applicant
Lawyer: Christopher J. Ramsay

This NOTICE OF APPLICATION is prepared by Christopher J. Ramsay of the firm of **Clark Wilson LLP** whose place of business is 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1 (Direct #: 604.643.3176, Fax #: 604.687.6314, Email: CRamsay@cwilson.com) (File #: 47153-0001).

To be completed by the court only:	
Order made	
<input type="checkbox"/>	in the terms requested in paragraphs _____ of Part 1 of this Notice of Application
<input type="checkbox"/>	with the following variations and additional terms:
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>	
Date: _____	Signature of <input type="checkbox"/> Judge <input type="checkbox"/> Master
[dd/mmm/yyyy]	

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matters concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts

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.

SERVICE LIST

Updated: May 25, 2018

<p>FTI Consulting Inc. Pacific Centre, Suite 1502 701 West Georgia Street Vancouver, BC V7Y 1C6</p> <p>Attention: Craig Munro</p> <p>Tel: 604-601-5699 Email: craig.munro@fticonsulting.com</p> <p><i>Proposal Trustee</i></p>	<p>Clark Wilson LLP 900 – 885 West Georgia Street Vancouver, BC V6C 3H1</p> <p>Attention: Chris Ramsay / Alexandra Andisoi / Deborah Hamann-Trou (Paralegal)</p> <p>Tel: 604-687-5700 Fax: 604-687-6314 Email: CRamsay@cwilson.com ; AAndrisoi@cwilson.com DHamann-Trou@cwilson.com</p> <p><i>Counsel for Purewal Blueberry Farms Ltd.</i></p>
<p>Miller Thomson LLP 725 Granville Street, Suite 400 Vancouver, BC V7Y 1G5</p> <p>Attention: Robin A. Dean</p> <p>Tel: 604-643-1302 Email: rdean@millertomson.com</p> <p><i>Counsel for Blueberry Council of BC</i></p>	<p>CGM Lawyers 6325 Fraser St., Suite 200 Vancouver, BC V5W 3A3</p> <p>Attention: Manjeet Sandhu</p> <p>Tel: 604-738-8816 Email: manjeet@cgmlawyers.ca</p> <p><i>Counsel for Joginder Singh and Joginder Kaur Ghag</i></p>
<p>Tiwana Deol Sandhu LLP 12899 80 Ave # 202 Surrey, BC V3W 0E6</p> <p>Attention: Rajdeep Deol</p> <p>Tel: 604-598-3325 Email: rsd@tdslawyers.ca</p> <p><i>Counsel for Harjinder Singh Berar, Karmit Kaur Berar and Berar Farms Ltd.</i></p>	<p>Office of the Superintendent of Bankruptcy 300 Georgia Street W, Suite 2000 Vancouver, BC V6B 6E1</p> <p>Attention: Gary Sam</p> <p>Email: gary.sam@canada.ca</p>

<p>Gowling WLG 550 Burrard Street, Suite 2300, Bentall 5 Vancouver, BC V6C 2B5</p> <p>Attention: Mark Ferbers</p> <p>Tel: 604-801-7366 Email: mark.ferbers@gowlingwlg.com</p> <p><i>Counsel for Blueberry Holdings (GP) Ltd.</i></p>	<p>Department of Justice 900 – 840 Howe Street Vancouver, BC V6Z 2S9</p> <p>Attention:</p> <p>Fax: 604-666-1462 Tel: 604-775-6020</p> <p><i>Counsel for Tax Law Services</i></p>
<p>Brian C Markus Law Corp. 930 – 777 Hornby Street Vancouver, BC V6Z 1S4</p> <p>Attention: Brian C. Markus</p> <p>Tel: Email: bcm@lightspeed.ca</p> <p><i>Counsel for Purewal Blueberry Farms Ltd., Gurjit Purewal, Balvinder Purewal, Charan Purewal, Gurdev Purewal, Malkait Purewal & Gian Purewal</i></p>	<p>Department of Justice Canada – BC Regional Office 900 – 840 Howe Street Vancouver, BC V6Z 2S9</p> <p>Attention: Loretta Chun</p> <p>Tel: Fax: 604-666-1462</p> <p><i>Counsel for Attorney General on behalf of HMTQ & Minister of National Revenue</i></p>
<p>Ministry of Attorney General Legal Services Branch 1301 – 865 Hornby Street Vancouver, BC V6Z 2G3</p> <p>Attention: Justin Mason</p> <p>Tel: Email:</p> <p><i>Counsel for Director of Employment Standards</i></p>	<p>Borden Ladner Gervais LLP 1200 Waterfront Centre 200 Burrard Street Vancouver, BC V7X 1T2</p> <p>Attention: Blaire A. Rebane</p> <p>Tel: Email: BRebane@blg.com</p> <p><i>Counsel for 4Refuel Canada LP and 4Refuel GP Corporation</i></p>
<p>Norton Rose Fulbright Canada LLP 1800 – 510 W. Georgia St. Vancouver, BC V6B 0M3</p> <p>Attention: Kieran E. Siddall</p> <p>Tel: Email: kieran.siddall@nortonrosefulbright.com</p> <p><i>Counsel for Nu-Gro Ltd.</i></p>	<p>Baker Newby LLP 200 – 2955 Gladwin Road Abbotsford, BC V2T 5T4</p> <p>Attention: Adnan N. Habib</p> <p>Tel: Email: ahabib@bakernewby.com</p> <p><i>Counsel for Fraser Valley Packers Inc. and Kinder Sidhu & Associates Inc.</i></p>

James R. Kitsul Law Corporation
19395 Langley By-Pass
Surrey, BC V3S 6K1

Attention: James R. Kitsul

Tel: 604-533-4423

Email: kitsul@supersave.ca

Counsel for Super Save Disposal Inc.

Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8

Attention: Jordan Schultz

Tel: 604-687-4460

Email: Jordan.schultz@dentons.com

Counsel for Bunzl Canada Inc.

Schedule "B"

Form 35 (Rules 8-4(1), 13-1(3), 17-1(2) and 25-9(2))

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
))

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 in favour of the Trustee, and its counsel, in favour of Purewal' counsel, not to exceed the amount of \$200,000.00 (the "**Administrative Charge**"), as security for their 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 DIP 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 Purewal's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, 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) day's 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's Charge 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, that 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 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**").

16. The DIP Lender's Charge shall constitute a charge on the Property and such charge shall rank in priority to all the Encumbrances in favour of any Person other than the Administrative Charge.

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 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, 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 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. 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:

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

BY THE COURT

Registrar

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

File No.: 47153-0001

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