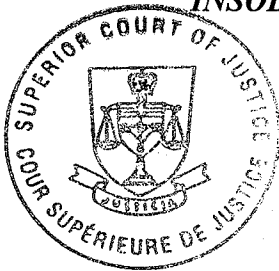


ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.) WEDNESDAY, THE 16th
JUSTICE NEWBOULD) DAY OF FEBRUARY, 2011

IN THE MATTER OF THE RECEIVERSHIP OF 2110458 ONTARIO
LIMITED o/a LORETTA FLOUR, 2131413 ONTARIO LIMITED o/a
LORETTA FOODS, 787755 ONTARIO LIMITED o/a NEW DURHAM
TRADING, and o/a NDT FOOD SERVICE and o/a SKYWAY
WHOLESALE and TARBRAC HOLDINGS INC.

IN THE MATTER OF SECTION 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 Ernst & Young Inc., in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of 2110458 Ontario Limited o/a Loretta Flour, 2131413 Ontario Limited o/a Loretta Foods, 787755 Ontario Limited o/a New Durham Trading, and o/a NDT Food Service and o/a Skyway Wholesale and Tarbrac Holdings Inc. (collectively, the "**Debtors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Jarvis Management Corp. (the "**Purchaser**") dated January 21, 2011 and appended to the Second Report of the Receiver dated February 9, 2011 (the "**Second Report**"), and vesting in Rosedale Food Company Inc. (the Purchaser's assignee), the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Motion Record and the Second Report, and on hearing the submissions of counsel for the Receiver, and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Miriam Sinclair sworn February 9, 2011 filed

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record be and is hereby abridged such that the motion is returnable today and that further service thereof is hereby dispensed with

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 Debtors' 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 Rosedale Food Company Inc. (the Purchaser's assignee), 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 Mr. Justice Wilton-Siegel dated November 26, 2010; (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 (all of which are collectively referred to as the "Encumbrances") 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 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.

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

6. **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 Debtors' past and current employees employed in relation to the Food Services and Catering division of the Debtors. 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 Debtors.

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 Debtors;

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 Debtors and shall not be void or voidable by creditors of the Debtors, 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.

10. **THIS COURT ORDERS** that the activities of the Receiver, as described in the Second Report, be and are hereby approved.

11. **THIS COURT ORDERS** that the unredacted version of the Sale Agreement, the summary of offers received and the summary of the Sale Agreement referred to in the Second Report, be and are hereby sealed from the public record and shall not be opened until the filing with the Court of the Receiver's Certificate.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

FEB 16 2011

PER / PAR:



Schedule A – Form of Receiver's Certificate

Court File No. CV-10-8991-00CL

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

**IN THE MATTER OF THE RECEIVERSHIP OF 2110458 ONTARIO
LIMITED o/a LORETTA FLOUR, 2131413 ONTARIO LIMITED o/a
LORETTA FOODS, 787755 ONTARIO LIMITED o/a NEW DURHAM
TRADING, and o/a NDT FOOD SERVICE and o/a SKYWAY
WHOLESALE and TARBRAC HOLDINGS INC.**

**IN THE MATTER OF SECTION 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**

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (the "**Court**") dated November 26, 2010, Ernst & Young Inc., was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of 2110458 Ontario Limited o/a Loretta Flour, 2131413 Ontario Limited o/a Loretta Foods, 787755 Ontario Limited o/a New Durham Trading, and o/a NDT Food Service and o/a Skyway Wholesale and Tarbrac Holdings Inc.

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of January 21, 2011 (the "**Sale Agreement**") between the Receiver and Jarvis Management Corp. (the "**Purchaser**") and provided for the vesting in Rosedale Food Company Inc. (the Purchaser's assignee), 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 Article 8 of 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 Article 8 of 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].

**Ernst & Young Inc., in its capacity as
Receiver of the undertaking, property and
assets of 2110458 Ontario Limited o/a Loretta
Flour, 2131413 Ontario Limited o/a Loretta
Foods, 787755 Ontario Limited o/a New
Durham Trading, and o/a NDT Food Service
and o/a Skyway Wholesale and Tarbrac
Holdings Inc., and not in its personal capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets

- **All assets listed on the attached Appendix A, Fixed Assets Owned as prepared by the Receiver**
- all office furniture located on the premises including desks, chairs, filing cabinets, fax machines, the computers used by John Purley and the Purchasing Manager, and all monitors
- all surveillance cameras & equipment and software that may be available to run the surveillance system
- the Receiver's interest in the lease for the 2008 Toyota FJ Cruiser (439 1136)
- Inventory
- Accounts receivable of the Purchased Business, excluding Badboys, Jackies Girls, Sullies and South Street that are older than 60 days
- Customer list
- Existing telephones and telephone system in place
- cash register (monitor with software and a cash box)
- the Receiver's interest in the lease for the ARM355n digital photocopier located in the office area

Appendix A – Fixed Assets Owned**Cash and Carry**

Rock's Beams 10' x 50' GREEN
 Rock's Posts 16' x 15' GREEN
 Rock's Beams 12' x 32' ORANGE
 Rock's Posts 16' x 10' BLUE
 Rock's Beams 8' x 40' ORANGE
 Rock's posts 15' x 8' BLUE
 Display fridges 6 doors per unit: 2 small units, 6 large units
 Roof top air conditioner x2
 Roof top heaters x 2
 Fridge compressors x3

Warehouse

	<u>L</u>	<u>W</u>
1 x Finished goods fridge #1	58'	20'
1 x Cool down fridge #2	7'	18'
1 x Cold cut fridge #3	12'	10'
1 x Production fridge #4	18'	24'
1 x Freezer #1	22'	19'
1 x Freezer #2	20'	20'
Raymond Reach forklift		
80 x orange beams		
44 x blue beams		
80 x blue posts		

Production

16 x Steel tables	8'
1 x Wood top table	12'
2 x Wood top table	8'
5 x Wood top table	5'
Hurricane Wrapping Machine	
10 ft Conveyor	

Kitchen

8 x Stainless steel tables	8'
1 x Stainless steel tables plus hood	8'
5 x Stainless steel tables	5'
3 x Wooden table top	10'
2 x Wooden table top	5'
1 x Wooden table top	4'
1 x Hobart Food Processor	
2 x Sunfire double oven	
Lincoln double oven (toaster)	
Automatic meat pounder	

Kitchen Continued

1 x 8 quarts mixer
2 x 60 gallon soup kettle
Automatic Hobart shredder
4 x Tilt Skillets
3 x Automatic Slicers
1 x 80 quarts Mixer
Large pot dishwasher
Meat Slicer
Meat Grinder
Chicken Mixer
2 x Pressure fryer
Regular fryer
4 Burner gas stove oven
BBQ 36" grill
Griddle 48"
Hobart Large Oven RO/T
2 x Suppression systems

IN THE MATTER OF THE RECEIVERSHIP OF 2110458 ONTARIO LIMITED o/a LORETTA FLOUR, 2131413 ONTARIO LIMITED o/a LORETTA FOODS, 787755 ONTARIO LIMITED o/a NEW DURHAM TRADING, and o/a NDT FOOD SERVICE and o/a SKYWAY WHOLESALE and TARBRAC HOLDINGS INC.

IN THE MATTER OF SECTION 243 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

ONTARIO

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

PROCEEDINGS COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

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Receiver of 2110458 Ontario Limited o/a Loretta Flour,
2131413 Ontario Limited o/a Loretta Foods, 787755
Ontario Limited o/a New Durham Trading, and o/a NDT
Food Service and o/a Skyway Wholesale and Tarbrac
Holdings Inc.