

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE RECEIVERSHIP OF:

HILLSPRING FARMS LTD., HSF FOODS LTD. and
HILLSPRING WAREHOUSE & LOGISTICS INC.

-and-

PURSUANT TO Section 33 of The *Judicature Act*,
R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court,
New Brunswick and Section 243 of the
Bankruptcy and Insolvency Act, R.S.C. 1985, c.
B-3

BETWEEN:

FARM CREDIT CANADA, a Federal Crown
Corporation

-and-

HILLSPRING FARMS LTD., HSF FOODS LTD. and
HILLSPRING WAREHOUSE & LOGISTICS INC.,
each a New Brunswick Corporation

APPLICANTS,

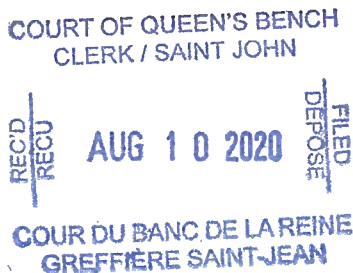
- and -

HILLSPRING FARMS LTD., HSF FOODS LTD. and
HILLSPRING WAREHOUSE & LOGISTICS INC.,
each a New Brunswick Corporation

RESPONDENTS.

MCCAIN SALE APPROVAL AND VESTING ORDER

UPON Hearing the Motion by Ernst & Young Inc., as court-appointed Receiver
and Receiver and Manager (the "Receiver") of certain of the undertaking,
property and assets of the Respondents (collectively, the "Debtor") for an



order approving the sale transaction (the "Transaction") contemplated by an offer by McCain Farms, a division of McCain Produce Inc. (the "Purchaser") to acquire the assets listed in Schedule "A" (the "Purchased Assets") the terms of which are set out in the Confidential Supplemental Report of the Receiver dated July 27, 2020 (the "Confidential Report"), and vesting in the Purchaser all right, title and interest in and to the Purchased Assets pursuant to the terms thereof;

ON READING the materials filed in this matter as contained in the Record on Application and the Confidential Report and on hearing the submissions of counsel for the Applicants and counsel for those other parties appearing, no one appearing for any other person on the service list although served as appears from the affidavits of service filed in this matter:

SERVICE

1. The time for service of the Notice of Motion is hereby abridged and validated so that the Motion is properly returnable today.
2. There has been good and sufficient notice, service, and delivery of the within Notice of Motion and Record on Motion and further service on any interested party is hereby dispensed with.

APPROVAL AND VESTING

3. The Transaction is hereby approved. The Receiver is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and the conveyance of the Purchased Assets to the Purchaser.
4. Upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule B hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets, shall vest, without further instrument of transfer or assignment, 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 Order of this Honourable Court on June 26, 2020 appointing the Receiver; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (New Brunswick) or any other personal property registry system (collectively, 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. Any discharge of registered security interests in personal property shall be completed by the addition of further language to any such registrations identifying the personal property against which such registration is discharged on the issuance of a Receiver's Certificate.

5. 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. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof. The Receiver is further authorized to execute and register discharges of any registered security or other interest extinguished by this Order following completion of the Transaction as necessary.
7. 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 settlement, fraudulent preference, assignment, fraudulent conveyance 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.

AID AND RECOGNITION

8. 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.

Dated at Saint John, New Brunswick, this 15th day of August 2020.



The Honourable Justice Darrell J. Stephenson
Justice of the Court of Queen's Bench of New
Brunswick

SCHEDULE A
Purchased Assets

Item No.	Item	Item Category	Serial Number
1.	Kenworth C550	Trucks	2NKJXATX5KM920855
2.	Spudnik 2 Row Harvester	Equipment	662155037 / 66215537
3.	Spudnik 3 Row Harvester	Equipment	66315552 / 66315532
4.	Spudnik 3 Row Harvester	Equipment	66315550
5.	2016 LKWD Model 554 Windrower / Hillspring	Equipment	G01001
6.	International F-2674	Trucks	1HTZVJUT1GHA58073
7.	International F-2674	Trucks	1HTGLATR9WH522791
8.	1 Bin Piler 36" telescopic Bin Piler	Equipment	CTEL36BF350118



SCHEDULE B
Form of Receiver's Certificate

Court File No.: SJM-46-2020

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each a New Brunswick Corporation

APPLICANTS,

- and -

HILLSPRING FARMS LTD., HSF FOODS LTD. and
HILLSPRING WAREHOUSE & LOGISTICS INC.,
each a New Brunswick Corporation

RESPONDENTS.

CERTIFICATE



RECITALS

A. Pursuant to an Order of the Honourable Darrell J. Stephenson of the New Brunswick Court of Queen's Bench (the "**Court**") dated June 26, 2020, Ernst & Young Inc. was appointed as the Receiver and Receiver Manager (the "**Receiver**") of all of the undertaking, property and assets of Hillspring Farms Ltd., HSF Foods Ltd., Hillspring Warehouse & Logistics Inc. (collectively, the "**Debtor**") save and except certain excluded Property.

B. Pursuant to an Order of the Court dated July ____, 2020, the Court approved the sale (the "**Transaction**") to McCain Farms, a division of McCain Produce Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of all of the Debtor's right, title and interest in and to the assets listed in Schedule "A" hereto (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; and (ii) the Transaction has been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable in accordance with the Transaction; and
2. The Transaction has been completed to the satisfaction of the Receiver.

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 Debtor, and not in its personal capacity

Per: _____

Name: _____

Title: _____



SCHEDULE B
Purchased Assets

Item No.	Item	Item Category	Serial Number
9.	Kenworth C550	Trucks	2NKJXATX5KM920855
10.	Spudnik 2 Row Harvester	Equipment	662155037 / 66215537
11.	Spudnik 3 Row Harvester	Equipment	66315552 / 66315532
12.	Spudnik 3 Row Harvester	Equipment	66315550
13.	2016 LKWD Model 554 Windrower / Hillspring	Equipment	G01001
14.	International F-2674	Trucks	1HTZVJUT1GHA58073
15.	International F-2674	Trucks	1HTGLATR9WH522791
16.	1 Bin Piler 36" telescopic Bin Piler	Equipment	CTEL36BF350118

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