



Court File No. 07-CL-7283

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE MORAWETZ

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WEDNESDAY, THE 10TH
DAY OF DECEMBER, 2008

**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.
UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c.B-16, AS AMENDED**

**AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE
OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF
D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC.,
O/A STEELBACK BREWERIES**

**STAY EXTENSION, APPROVAL AND VESTING ORDER,
AND DISTRIBUTION OF FUNDS**

THIS MOTION, made by Wasanda Enterprises Limited ("Wasanda") and 834934 Ontario Limited for an order extending the Stay Period provided by and defined in the Initial Order dated November 15, 2007, and approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between D'Angelo Brands Ltd. (the "Debtor"), and M. Gondosch in Trust (the "Purchaser") made as of July 17, 2008 and referred to in the Affidavit of Glen A. Huber sworn December 3, 2008 (the "Huber Affidavit"), and vesting in the Purchaser the Debtor's right, title and interest in and to the real property municipally known as 14 Brewster Road, in the City of Brampton, and legally described as Parcel 5-1, Section 43M772, Lot 5, Plan 43M772, City of Brampton in the Regional Municipality of Peel, (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

MB) AR)
ON READING the Huber Affidavit and on hearing the submissions of counsel for Wasanda, the Debtor and ^{the Monitor and on reading} the Tenth Report of Mintz & Partners Limited, in its capacity as Monitor (the "Monitor") of the Debtor, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Claudia Peters sworn December 5, 2008, filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved. The Debtor 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, or as the Purchaser may direct.
2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Monitor's Certificate"), all of the Debtor's 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 EM Brampton Realty Inc., 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 Pepall dated November 15, 2007, (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; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) 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.
3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Peel of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter EM Brampton Realty Inc. as the

owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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 Monitor'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 that the Debtor is hereby authorized and directed to pay the net proceeds from the sale of the Purchased Assets to the Monitor, for distribution in accordance with the prior Orders of this Court.

6. THIS COURT ORDERS that the Sale Agreement and the appraisal report prepared by Hendren Mitchell Real Estate Appraisals Ltd. shall remain sealed and not form part of the record, pending the filing of the Monitor's Certificate.

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

8. 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;

Schedule A – Form of Monitor’s Certificate

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**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.
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1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT,
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**AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE
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O/A STEELBACK BREWERIES**

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Pepall of the Ontario Superior Court of Justice ("Court"), dated November 15, 2007, Mintz & Partners Limited was appointed as Monitor (the "Monitor") of D'Angelo Brands Ltd. and 1540633 Ontario Inc. o/a Steelback Breweries. Pursuant to an Order of the Honourable Mr. Justice Morawetz dated December 10, 2008, the Court approved the agreement of purchase and sale made as of July 17, 2008 (the "Sale Agreement") between D'Angelo Brands Ltd. (the "Debtor") and M. Gondosch in Trust (the "Purchaser") and provided for the vesting in EM Brampton Realty Inc. 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 Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; and (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Debtor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement; and
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**MINTZ & PARTNERS LIMITED, in its
capacity as Monitor of D'Angelo Brands Ltd.
and 1540633 Ontario Inc. o/a Steelback
Breweries, and not in its personal capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets

The land and premises legally described as PIN 14021-0250 (LT), being Parcel 5-1, Section 43M772; Lot 5 Plan 43M772, City of Brampton, in the Regional Municipality of Peel, and municipally known as 14 Brewster Road, Brampton

Schedule C – Claims to be deleted and expunged from title to Real Property

PR150960	Charge in favour of D. Dunsmuir Inv. Canada Limited, Transferred to Wasanda by PR492342
PR150961	Charge in favour of Reagans Canada Ltd., Transferred to Wasanda by PR508670
PR223474	Charge in favour of D. Dunsmuir Inv., Transferred to Wasanda by PR4922341
PR239546	Charge in favour of B. & M. Handelman et al. (see pcl reg.), Transferred to Wasanda by PR554191
PR239547	Notice of Assignment of Rents (re: Charge PR239546), Transferred to Wasanda by PR554420
PR368356	Charge in favour of Wasanda Enterprises Inc.
PR519983	Notice of Supplemental Debenture to Charge PR368356
PR639908	Charge in favour of Wasanda Enterprises Inc.
PR1207954	Charge in favour of 2048572 Ontario Limited

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

LT782837	Notice of Industrial Subdivision Agreement
LT782838	Transfer of Easement
LT910036	Notice of Rezoning/Site Plan Agreement
PR642315	Transfer of Easement
PR642322	Transfer of Easement

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PROCEEDING COMMENCED AT TORONTO

ORDER
**(Stay Extension, Approval and Vesting Order,
and Distribution of Funds)**

AYLESWORTH LLP

Barristers & Solicitors

Ernst & Young Tower

Toronto-Dominion Centre

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Toronto, ON M5K 1H1

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Solicitors for Wasanda Enterprises Inc.