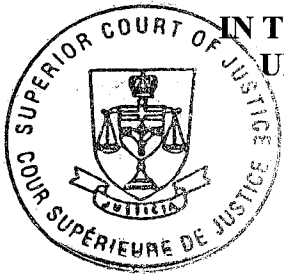


**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) TUESDAY, THE 15<sup>TH</sup>  
JUSTICE *CUMMING* ) DAY OF APRIL, 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**

Applicants

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by Wasanda Enterprises Inc. ("Wasanda") for an order:

- (a) approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between Steelback Brewery Inc. (the "Purchaser") and D'Angelo Brands Ltd. and 15440633 Ontario Inc. (collectively, the "Debtors") as Vendors, made as of April 10, 2008 and appended to the Fourth Report of Mintz & Partners Limited in its capacity as Court-appointed Monitor (the "Monitor") dated April 11, 2008 (the "Report"), subject to a further marketing process to be conducted by the Monitor in accordance with the bidding procedures attached to the Sale Agreement (the "Bidding Procedures"); and
- (b) upon the issuance of a Monitor's Certificate confirming that no other Qualified Bids have been received prior to the Bid Deadline (as defined in the Bidding

Procedures), vesting in the Purchaser all of the Debtors' rights, title and interests 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 Report and the affidavit of Glen A. Huber sworn April 9, 2008, and on hearing the submissions of counsel for Wasanda, the Debtors, the Purchaser, and the Monitor, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Claudia Peters sworn April 11, 2008 filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged and that the motion is properly returnable today and service on any interested party other than those parties served is hereby dispensed with.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of the Debtors and their stakeholders. The execution of the Sale Agreement by the Debtors is hereby authorized and approved, and the Debtors are 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, subject to the Bidding Procedures attached hereto as Schedule "A". Further, the Monitor is hereby authorized and directed to take such steps as may be appropriate to carry out the activities contemplated in the Bidding Procedures.
3. THIS COURT ORDERS AND DECLARES that upon the delivery by the Monitor of a certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "Monitor's Certificate") confirming that no other Qualified Bids (as defined in the Bidding Procedures) have been received prior to the Bid Deadline (as defined in the Bidding Procedures), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "C" hereto shall vest 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 the Honourable 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 “D” 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 “E”) 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 upon the registration in the Land Titles Division of Bruce of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser 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 “D” hereto.
5. 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.
6. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Debtors are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees, including personal information of those employees. 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.

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 Debtors 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 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.

9. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

April 15, 2008 Peter A. Cumming J.

PROFESSOR OF LAW  
COURT REPORTER  
REGISTERED NO.:

APR 15 2008

PER/PAR: 

## **SCHEDULE "A" – BIDDING PROCEDURES**

Pursuant to an application made by Wasanda Enterprises Inc. ("Wasanda"), a secured creditor of 1540633 Ontario Inc. and D'Angelo Brands Ltd. (collectively, the "Debtors"), the Debtors are currently subject to restructuring proceedings under the *Companies' Creditors Arrangement Act* ("CCAA"), and have been authorized to proceed with a sale of certain of their assets, under the supervision of the Ontario Superior Court of Justice (Commercial List) (the "Court"). Wasanda is seeking an Order of the court authorizing the Debtors to enter into a Purchase and Sale Agreement dated as of April 10, 2008, (the "Agreement") for the sale of certain of their assets used in connection with the brewery operated by 1540633 Ontario Inc. (collectively, the "Brewery Assets") to Steelback Brewery Inc. (the "Proposed Purchaser") or such other agreements as may be reached with a successful bidder (the "Successful Bidder") determined under these bidding procedures and approved by the Court. Only bids that comply, in all respects, with these bidding procedures will be considered for acceptance by the Debtors.

The consideration to be paid by the Proposed Purchaser for the sale of all of the Brewery Assets is the sum of \$8 million cash, plus applicable taxes (the "Purchase Price"), payable by way of a refundable deposit of \$1 million, and the balance of \$7 million, on closing. Wasanda and the Debtors believe that the Agreement is fair and reasonable and also believe that it is in the best interest of all stakeholders of the Debtors to undertake a further marketing and sale process, using the Agreement as a benchmark to establish a floor price, in an effort to identify the highest or otherwise best offer for the Brewery Assets. Accordingly, Wasanda, with the consent of the Debtors, is seeking the approval of the Court of the Bidding Procedures set out herein.

### **Assets to be Sold**

The Debtors, who are operating under the supervision of Mintz & Partners Limited, the Monitor appointed by the Court pursuant to the CCAA (the "Monitor"), are offering the Brewery Assets for sale. These assets are detailed in the Agreement. The Debtors shall retain all right, title and interest in and to the assets which are not subject to a bid accepted by the Debtors and approved by the Court.

### **The Bidding Process**

Interested parties will be provided with access to confidential information relevant to the Brewery Assets and will be given an opportunity to inspect the Brewery Assets only upon executing a confidentiality agreement and providing financial statements or other satisfactory evidence of an ability to finance a transaction, on an all cash basis in an amount greater than the Purchase Price (hereinafter, a "Qualified Bidder").

The Monitor will receive offers from interested parties and will communicate with the Debtors and coordinate the efforts of all Qualified Bidders in conducting due diligence investigations.

### **Bid Deadline**

Any person who wishes to make a bid shall deliver a written copy of its bid to be received by no later than 5:00 p.m., on Tuesday, May 6, 2008 (the "Bid Deadline"), by electronic mail, facsimile

transmission, personal delivery, courier or prepaid mail addressed to the Monitor and the Debtors as follows:

(a) To the Monitor to:  
Mintz & Partners Limited  
1 Concord Gate  
Suite 200  
North York, ON  
M3C 4G4  
  
Attention: Tony Zaspalis  
Facsimile: 416-644-4303  
Email: tzaspalis@deloitte.ca

(b) To the Debtors to:  
D'Angelo Brands Ltd.  
and 1540633 Ontario Inc.,  
o/a Steelback Breweries  
14 Brewster Road  
Brampton, ON L4W 3W6  
  
Attention: Ari Huber  
Facsimile: 905-794-0289  
Email: ahuber@steelbackbrewery.com

The Debtors, and the Monitor, may, in their collective discretion, extend the Bid Deadline once or successively, but are not obligated to do so.

### **Bid Requirements**

All bids must include the following documents:

- (a) a letter stating that the bidder's offer is irrevocable until the earlier of 2 business days after the closing of a sale of the Brewery Assets or June 16, 2008;
- (b) an offer to purchase the Brewery Assets, for an amount equal to or greater than the Purchase Price executed by the bidder, substantially in the form of the Agreement, marked and initialled to show those amendments and modifications to the Agreement which the bidder proposes;
- (c) a good faith deposit in the amount of \$1 million, in the form of a certified cheque or bank draft (or other form acceptable to the Monitor and the Debtors, in their discretion) payable to the order of the Monitor in trust (the "Deposit");
- (d) evidence in writing of either immediately available funds from the bidders' internal sources or from external sources (i.e., a financial commitment letter), or other evidence of ability to consummate the proposed transaction which is satisfactory to the Monitor and the Debtor, in their discretion.

The Monitor and the Debtors will consider a bid only if it is on terms that are not conditional upon obtaining financing or on the outcome of unperformed due diligence by the bidder.

In addition to the Agreement, a bid that includes all of the above requirements and satisfies all of the foregoing conditions is a "Qualified Bid". If no Qualified Bid other than the Agreement is received prior to the Bid Deadline, the Debtors shall be authorized to complete the sale of the Brewery Assets to the Proposed Purchaser on the terms set out in the Agreement.

### **Due Diligence**

The Monitor, in cooperation with the Debtors, will coordinate requests from Qualified Bidders for additional information regarding the Debtors and their assets and due diligence information requests. The Monitor will not be obligated to provide any due diligence information after the Bid Deadline.

### **As Is, Where Is**

The sale of the Brewery Assets shall be on an "as is, where is" basis and without representations or warranties of any kind, nature or description by the Debtors or the Monitor, except to the extent set forth in the applicable Agreement of the Successful Bidder as accepted by the Debtors. Except as otherwise provided in the applicable Agreement, all right, title and interest of the Debtors in and to the Brewery Assets shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, and options thereon in accordance with a Vesting Order of the Court, and any such interests and claims, charges, encumbrances, options, or liens, will attach to the net proceeds from the sale of the Brewery Assets.

Each bidder will be deemed to acknowledge and represent by submitting its bid that it has had an opportunity to conduct any and all due diligence regarding the Brewery Assets prior to making its offer, the bidder has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Brewery Assets in making its bid and that it did not rely upon any written or oral statements, representations, promises warranties or guarantees, whatsoever, whether express, implied or by operation of law or otherwise, regarding the Brewery Assets or the completeness or accuracy of any information provided in connection therewith, except as expressly stated in the applicable Agreement.

### **Auction**

If, in addition to the Agreement, one or more Qualified Bids are received prior to the Bid Deadline, the Monitor shall, without the requirement for further notice to any person, conduct an auction of the Brewery Assets (the "Auction"). The Auction will commence at 10:00 a.m. on May 8, 2008, at the offices of the Monitor, 1 Concord Gate, Suite 200, North York, Ontario, or such later time or other place as the Monitor shall notify all Qualified Bidders who have submitted Qualified Bids. Only a Qualified Bidder who has submitted a Qualified Bid is eligible to participate and submit a further bid at the Auction. During the Auction, bidding shall begin initially with the highest Qualified Bid, and subsequently continue in minimum increments of at least \$100,000.00 higher than the previous bid. Other than as disclosed herein, the Monitor may conduct the Auction in the manner it determines will result in the highest or otherwise best offer. Upon conclusion of the Auction, the Monitor in consultation with the Debtors, and Wasanda, shall review each Qualified Bid received on the basis of the financial and contractual terms and

other relevant factors, including the speed and certainty of consummating a sale and identify the highest or otherwise best offer for the Brewery Assets (the "Successful Bid").

### **Acceptance of Bids**

Following entry of an Order of the Court approving the Successful Bid, to be obtained upon motion by Wasanda, on notice to the service list in the Debtors' CCAA proceeding, the Debtors will sell the Brewery Assets to the Successful Bidder or as directed pursuant to the Order of the Court.

The presentation of a particular bid to the Court for approval will not constitute acceptance of that bid by the Debtors. The Debtors will be deemed to have accepted a Successful Bid only when the bid has been approved by the Court.

The sale approval hearing will be held at 393 University Avenue, Toronto, Ontario on May 14, 2008 at 10:00 a.m. or as soon after that time as the matter can be heard.

Following the sale approval hearing, if the Successful Bidder fails to consummate an approved sale, the next highest or otherwise best bid, as disclosed at the sale approval hearing, shall be deemed to be the Successful Bid, until a sale is completed to a Successful Bidder and the Debtors shall be authorized to consummate the sale with the bidder submitting such bid without further order of the Court.

### **Return of Deposit**

The Deposit will be deposited by the Monitor into an interest bearing trust account, and held in escrow by the Monitor until 2 business days after the closing of the sale of the Brewery Assets. If an offer is not accepted for any reason, the Deposit shall be returned to the bidder, together with all interest accrued thereon, without deduction. If a bidder fails to consummate an approved sale as a result of a breach or failure to perform on the part of the bidder, the Monitor will not have any obligations to return the Deposit deposited by such bidder and the Deposit, together with interest will be retained by the Debtors and forfeited by the bidder as liquidated damages.

**Schedule "B" – Form of Monitor's Certificate**

Court File No. 07-CL-7283

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**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**

Applicants

**MONITOR'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Madam Justice Pepall of the Ontario Superior Court of Justice (the "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 (collectively, the "Debtors").

B. Pursuant to an Order of the Court dated April 15, 2008, the Court approved the agreement of purchase and sale made as of April 10, 2008 (the "Sale Agreement") between the Debtors and Steelback Brewery Inc. (the "Purchaser"), subject to a further marketing process to be conducted by the Monitor and provided for the vesting in the Purchaser of the Debtors' 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 articles 5 and 6 of the Sale Agreement have been satisfied or waived by the Debtors 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. No Qualified Bid other than the Sale Agreement has been received by the Monitor or the Debtors prior to the Bid Deadline;
2. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
3. The conditions to Closing as set out in articles 5 and 6 of the Sale Agreement have been satisfied or waived by the Debtors and the Purchaser.
4. This Certificate was delivered by the Monitor at \_\_\_\_\_ [TIME] on \_\_\_\_\_ 2008.

**Mintz & Partners Limited, in its capacity as  
Court-Appointed Monitor of D'Angelo  
Brands Ltd. and 1540633 Ontario Inc. o/a  
Steelback Breweries and not in its personal  
capacity**

Per: \_\_\_\_\_  
Name:  
Title:

**Schedule "C" – Purchased Assets**

**Schedule "D" – Claims to be deleted and expunged from title to Real Property**

<b>Reg. Num.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Amount</b>	<b>Parties From</b>	<b>Parties To</b>
LT50372	2002/10/21	Charge	\$5,000,000		Wasanda Enterprise Inc.
BR1368	2007/01/29	Charge	\$100,000,000	1540633 Ontario Inc.	2048572 Ontario Limited
BR1543 Remarks: LT50372 to BR1368	2007/02/07	Postponement		Wasanda Enterprises Inc.	2048572 Ontario Limited
BR1544 Remarks: LT46920 to BR1368	2007/02/07	Postponement		Wasanda Enterprises Inc.	2048572 Ontario Limited

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

**(unaffected by the Vesting Order)**

<b>Reg. Num.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Parties To</b>
LT16633	1986/05/22	Agreement	The Corporation of the Township of Bruce
LT18457	1987/05/22	Agreement	The Corporation of the Township of Bruce
Remarks: Amendment, LT16633			
LT34372	1993/03/31	Agreement	The Corporation of the Township of Bruce
Remarks: Site Plan			
LT17660	1986/11/13	Transfer Easement	Ontario Hydro