

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT*
ACT, R.S.C. 1985, c. C-36, AS AMENDED**

THE HONOURABLE) THURSDAY, THE 3rd
JUSTICE COLIN L. CAMPBELL) DAY OF MAY, 2012



AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF First Leaside Wealth Management Inc., First Leaside Finance Inc., First Leaside Securities Inc., FL Securities Inc., First Leaside Management Inc., First Leaside Accounting and Tax Services Inc., First Leaside Holdings Inc., 2086056 Ontario Inc., First Leaside Realty Inc., First Leaside Capital Inc., First Leaside Realty II Inc., First Leaside Investments Inc., 965010 Ontario Inc., 1045517 Ontario Inc., 1024919 Ontario Inc., 1031628 Ontario Inc., 1056971 Ontario Inc., 1376095 Ontario Inc., 1437290 Ontario Ltd., 1244428 Ontario Ltd., PrestonOne Development (Canada) Inc., PrestonTwo Development (Canada) Inc., PrestonThree Development (Canada) Inc., PrestonFour Development (Canada) Inc., 2088543 Ontario Inc., 2088544 Ontario Inc., 2088545 Ontario Inc., 1331607 Ontario Inc., Queenston Manor General Partner Inc., 1408927 Ontario Ltd., 2107738 Ontario Inc., 1418361 Ontario Ltd., 2128054 Ontario Inc., 2069212 Ontario Inc., 1132413 Ontario Inc., 2067171 Ontario Inc., 2085306 Ontario Inc., 2059035 Ontario Inc., 2086218 Ontario Inc., 2085438 Ontario Inc., First Leaside Visions Management Inc., 1049015 Ontario Inc., 1049016 Ontario Inc., 2007804 Ontario Inc., 2019418 Ontario Inc., FL Research Management Inc., 970877 Ontario Inc., 1031628 Ontario Inc., 1045516 Ontario Inc., 2004516 Ontario Inc., 2192341 Ontario Inc., and First Leaside Fund Management Inc. (the "Applicants")

SALE APPROVAL AND VESTING ORDER

(FIRST LEASIDE BEVERAGES LIMITED PARTNERSHIP)

THIS MOTION, made by the Applicants and other limited partnerships and entities subject to the benefit of the Initial Order (defined below) (collectively, "**First Leaside**"), for an order approving the sale transaction (the "**Transaction**")

contemplated by a Unit Purchase, Transfer of General Partner and Transfer of Property Agreement (the "**Sale Agreement**") among

- (a) First Leaside Beverages Limited Partnership ("**Partnership 1**");
- (b) King Brewery Limited Partnership ("**Partnership 2**");
- (c) First Leaside Wealth Management Inc. ("**Vendor 1**");
- (d) First Leaside Progressive Limited Partnership ("**Vendor 2**");
- (e) FLWM Holdings Limited Partnership ("**Vendor 3**");
- (f) F.L. Beverages Group Limited Partnership ("**Vendor 4**");
- (g) 1045515 Ontario Inc. ("**Vendor 5**");
- (h) Provincial Beverages of Canada Inc. (the "**Purchaser**"); and
- (i) Provincial Beverages Inc. ("**Purchaser 2**")

dated April 11, 2012 and appended to the Affidavit of Greg MacLeod, sworn April 23, 2012 (the "**MacLeod Affidavit**"), and vesting in the Purchaser the right, title and interest of Vendor 1, Vendor 2, Vendor 3, and Vendor 4 (collectively, the "**Vendor**") in and to the assets, other than assets of Vendor 5, defined in the Sale Agreement as Purchased Units 1 as provided for in Article 2.1 of the Sale Agreement (collectively, the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the MacLeod Affidavit, the second report of Grant Thornton Limited, in its capacity as court appointed monitor (the "**Monitor**"), dated April 25, 2012,

(the "**Second Report**") and on hearing the submissions of counsel for the Applicants and the Monitor and upon Fraser Milner Casgrain LLP in its capacity as court appointed Representative Counsel advising the court that it does not oppose the relief being sought, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Mary Carreiro sworn April 24 and 26, 2012, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement on behalf of the Vendor by G.S. MacLeod & Associates Inc. in its capacity as chief restructuring officer of First Leaside (the "**CRO**") is hereby authorized and approved, with such minor amendments as the CRO may consent to and the parties may deem necessary. The Vendor is hereby authorized and directed to take such additional steps and execute such additional documents as the CRO may consent to and as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a CRO's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**CRO's Certificate**"), all of the Vendor's right, title and interest in and to the Purchased Assets 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 Mr. Justice David M. Brown dated February 23, 2012 (the "**Initial Order**"); and (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.

3. 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 CRO'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.

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

5. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of these proceedings;

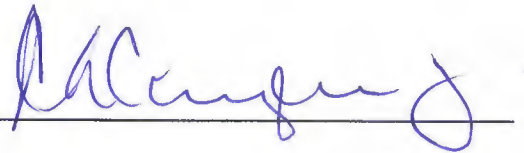
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Vendor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Vendor;

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 Vendor (or any one or more of them) and shall not be void or voidable by creditors of the Vendor (or any one or more of them), 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.

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

7. 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 Vendor 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 Vendor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Vendor and its agents in carrying out the terms of this Order.

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



MAY 3 2012

Schedule A – Form of CRO's Certificate

Court File No. CV-12-9617-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF First Leaside Wealth Management Inc., First Leaside Finance Inc., First Leaside Securities Inc., FL Securities Inc., First Leaside Management Inc., First Leaside Accounting and Tax Services Inc., First Leaside Holdings Inc., 2086056 Ontario Inc., First Leaside Realty Inc., First Leaside Capital Inc., First Leaside Realty II Inc., First Leaside Investments Inc., 965010 Ontario Inc., 1045517 Ontario Inc., 1024919 Ontario Inc., 1031628 Ontario Inc., 1056971 Ontario Inc., 1376095 Ontario Inc., 1437290 Ontario Ltd., 1244428 Ontario Ltd., PrestonOne Development (Canada) Inc., PrestonTwo Development (Canada) Inc., PrestonThree Development (Canada) Inc., PrestonFour Development (Canada) Inc., 2088543 Ontario Inc., 2088544 Ontario Inc., 2088545 Ontario Inc., 1331607 Ontario Inc., Queenston Manor General Partner Inc., 1408927 Ontario Ltd., 2107738 Ontario Inc., 1418361 Ontario Ltd., 2128054 Ontario Inc., 2069212 Ontario Inc., 1132413 Ontario Inc., 2067171 Ontario Inc., 2085306 Ontario Inc., 2059035 Ontario Inc., 2086218 Ontario Inc., 2085438 Ontario Inc., First Leaside Visions Management Inc., 1049015 Ontario Inc., 1049016 Ontario Inc., 2007804 Ontario Inc., 2019418 Ontario Inc., FL Research Management Inc., 970877 Ontario Inc., 1031628 Ontario Inc., 1045516 Ontario Inc., 2004516 Ontario Inc., 2192341 Ontario Inc., and First Leaside Fund Management Inc. (the "Applicants")

CRO's CERTIFICATE

RECITALS

A. Pursuant to an Order of the Court dated May 3, 2012 (the "**Approval Order**"), the Court approved the agreement of purchase and sale made as of April 11, 2012 (the "**Sale Agreement**") between the Vendor and Purchaser (as defined in the Approval Order) and provided for the vesting in the Purchaser of the Vendor's right, title and interest in and to the Purchased Assets (as defined in the Approval Order), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the CRO 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 the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the parties.

THE CRO CERTIFIES the following:

1. The Purchaser has paid and the Vendor has received Purchase Price 1 (as defined in the Sale Agreement) for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 3.4.1 and 3.4.2 of the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the parties.
4. This Certificate was delivered by the Monitor at [TIME] on ____ [DATE].

**G.S. MacLeod & Associates Inc.,
in its capacity as court
appointed CRO in respect of the
*Companies' Creditors
Arrangement Act* proceedings
brought by the Applicants and
not in its personal capacity**

P
e
r
:

Name: Greg MacLeod

Title:

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
First Leaside Wealth Management Inc. et al**

Court File No: CV-12-9617-00CL

ONTARIO SUPERIOR COURT OF JUSTICE (Commercial List) Proceeding commenced at Toronto	
SALE APPROVAL AND VESTING ORDER (FIRST LEASIDE BEVERAGES LIMITED PARTNERSHIP)	
Cassels Brock & Blackwell LLP 2100 Scotia Plaza 40 King Street West Toronto, Ontario M5H 3C2 John N. Birch LSUC #: 38968U Tel: 416.860.5225 Fax: 416.640.3057 jbirch@casselsbrock.com David S. Ward LSUC#: 33541W Tel: 416.869.5960 Fax: 416.360.3154 dward@casselsbrock.com Lawyers for the Applicant	