



Court File No.B-200208  
Estate No. 11-2638450  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN THE BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF TBA  
BEVERAGE INC.**

**ORDER MADE AFTER APPLICATION**

BEFORE *MASTER CAMERON*                    )     THE 24th DAY OF JUNE, 2020  
  )  
  )

ON THE APPLICATION of TBA Beverage Inc. ("TBA"), coming on for hearing by telephone at the Courthouse at 800 Smithe Street, Vancouver, British Columbia on the 24th day of June, 2020 and on hearing Jeremy West, counsel for TBA Beverage Inc. and those other counsel listed on **Schedule "A"** hereto, AND UPON READING the materials filed herein; AND PURSUANT TO the *Bankruptcy and Insolvency Act*, R.S.C. 1983 c. 8-3 (the "BIA");

THIS COURT ORDERS that:

1. The time for service of the Notice of Application dated June 22, 2020 is hereby abridged such that it is properly returnable today and service thereof on any interested party is hereby dispensed with.
2. Except as specifically provided herein the definitions utilized in the Order Made after Application on May 13, 2020 (the "May 13, 2020 Order") shall have the same meanings for the purposes of this Order.

**Extension of time to file a Proposal and Stay**

3. The time for the filing of a Proposal by TBA be extended from June 28, 2020 to 11:59 p.m. August 12, 2020.
4. The stay of proceedings be extended from June 28, 2020 to 11:59 p.m., August 12, 2020.

**Extension to Line of Credit and Charge**

5. TBA is hereby authorized and empowered to enter into, execute and deliver the Amendment to the Line of Credit Agreement dated June 19, 2020 between the TBA and 1241393 B.C. Ltd ("124") ( the "Amendment to the Line of Credit Agreement") in order to finance its working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings do not exceed the principal amount of \$1,700,000 (ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS) unless permitted by further Order of this court.
  
6. 124 shall be entitled to the benefit of and is hereby granted a charge (the "**Extension to the Line of Credit Limit Charge**") for the increase to the line of credit provided for in the Amendment to the Line of Credit Agreement dated limited to \$500,000 (Five Hundred Thousand Dollars) and for greater certainty the Extension to the Line of Credit Limit Charge shall not secure an obligation owing to 124 that exists before this Order is made. The Extension to the Line of Credit Limit Charge shall have the priority set out in paragraphs 12-13 hereof.
  
7. The filing, registration or perfection of the Extension to the Line of Credit Limit Charge shall not be required, and the Extension to the Line of Credit Limit Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Extension to the Line of Credit Limit Charge coming into existence, notwithstanding any such failure to file, register, record or perfect, and that the Extension to the Line of Credit Limit Charge shall immediately attach to all of the TBA's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**").
  
8. Notwithstanding any other provision of this Order:
  - a. 124 may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Extension to the Line of Credit Limit Charge or the Amendment to the Line of Credit Agreement;
  
  - b. upon the occurrence of an event of default under the Amendment to the Line of Credit Agreement or the Extension to the Line of Credit Limit Charge, 124, upon seven (7) days' notice to TBA and the Proposal Trustee, may exercise any and all of its rights and remedies against TBA or the Property under or pursuant to the Amendment to the Line of Credit Agreement or the Extension to the Line of Credit Limit Charge including, without limitation, to cease making advances to TBA, to make demand, accelerate payment and give other notices, or to apply

to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against TBA; and

- c. the foregoing rights and remedies of 124 shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of TBA or the Property.
9. Notwithstanding the foregoing or any other provision of this Order, 124 shall not enforce any security (or exercise any right of set-off or combination of accounts) under or pursuant to the Amendment to the Line of Credit Agreement or the Extension to the Line of Credit Limit Charge against TBA or its Property without the prior leave of this Court, provided that the 124 may deliver to TBA demand and notice and exercise acceleration rights without leave of the Court.
  10. The Extension to the Line of Credit Limit Charge is in addition to any existing security granted by TBA or any other person or entity to 124 (collectively, the "**Existing Security**"), which existing security is not restricted by paragraph 9 hereof. All liabilities and obligations of 124 under the Amendment to the Line of Credit Agreement shall be secured by the Existing Security and the Extension to the Line of Credit Limit Charge.
  11. 124 shall be treated as unaffected in the proposal filed by TBA under the BIA, or any plan filed by TBA under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), with respect to any advances made under the Amendment to the Line of Credit Agreement. The stay of proceedings provided for in this proceeding shall not apply to the 124 or its rights under or in respect of the Amendment to the Line of Credit Agreement.

**Priority of the Charges**

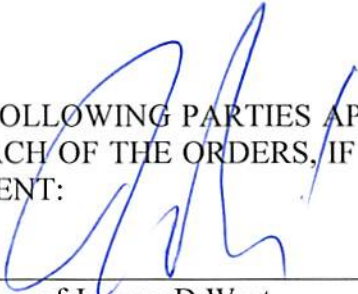
12. The Extension to the Line of Credit Limit Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Extension to the Line of Credit Limit Charge coming into existence, notwithstanding any such failure to file, register, record or perfect, and that the Extension to the Line of Credit Limit Charge shall immediately attach to the Property.
13. The Extension to the Line of Credit Limit Charge shall constitute a charge on the Property and such charge shall rank in priority to all other security interests, trusts, liens, charges, encumbrances, or other secured claims (collectively, "**Encumbrances**") in favour of any person or entity (a "**Person**") other than:
  - a. the Administrative Charge; and
  - b. the following registrations:

- i. PPSA Base Reg. #389647K in favour of Jim Pattison Industries Ltd.;
  - ii. PPSA Base Reg. #389717K in favour of Jim Pattison Industries Ltd.;
  - iii. PPSA Base Reg. #466238K in favour of Jim Pattison Industries Ltd.
  - iv. PPSA Base Reg. #861812K in favour of Jim Pattison Industries Ltd.;
  - v. PPSA Base Reg. #140851K in favour of First West Leasing Ltd.;
  - vi. PPSA Base Reg. #242517K in favour of First West Leasing Ltd.;
  - vii. PPSA Base Reg. #983350K in favour of First West Leasing Ltd.;
  - viii. PPSA Base Reg. #640756K in favour of Blueshore Leasing Ltd.; and
  - ix. PPSA Base Reg. #184431L in favour of G.N. Johnston Equipment Co. Ltd..
14. Except as otherwise expressly provided for herein, or as may be approved by this Court, TBA shall not grant any Encumbrances over any Property that ranks in priority to, or *pari passu* with the Extension to the Line of Credit Limit Charge.
15. The Amendment to the Line of Credit Agreement or the Extension to the Line of Credit Limit Charge shall not be rendered invalid or unenforceable and the rights and remedies of 124 thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application for bankruptcy order issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the initiation of any other proceedings under the BIA; (e) the initiation of any proceedings under the CCAA(f) the provisions of any federal or provincial statutes; or (g) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds TBA, and notwithstanding any provision to the contrary in any Agreement.
16. Neither the creation of the Extension to the Line of Credit Limit Charge nor the execution, delivery, perfection, registration or performance of the Amendment to the Line of Credit Agreement shall create or be deemed to constitute a breach by TBA of any Agreement to which any of it is a party.
17. 124 shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from TBA entering into the Amendment to the Line of Credit Agreement, the creation of the Extension to the Line of Credit Limit Charge; and payments made by the TBA pursuant to this Order, the Amendment to the

Line of Credit Agreement and the Extension to the Line of Credit Limit Charge, does not and will not constitute a preference, fraudulent conveyance, transfer at undervalue, oppressive conduct, a settlement or other challengeable or voidable transaction under any applicable law.

18. Endorsement of this Order by counsel appearing on this application, other than counsel for TBA, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



\_\_\_\_\_  
Signature of Jeremy D West  
Solicitor for TBA Beverage Inc.

By the Court.  
Digitally signed by  
Day, Kristen

\_\_\_\_\_  
Registrar *in Bankruptcy*

**Schedule "A"- List of Counsel Appearing**

Jeremy D. West	Counsel for TBA Beverage Inc.

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**ORDER MADE AFTER APPLICATION**

File No.: 231724-0000  
Initials: JDW/cc

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