

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE MR.) FRIDAY, THE 17th DAY
)
JUSTICE PENNY) OF DECEMBER, 2021

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF JUNCTION CRAFT BREWING INC.**

ORDER

THIS MOTION, made by Junction Craft Brewing Inc. (the “**Company**” or “**Junction**”), was heard this day via video conference as a result of the COVID-19 pandemic.

ON READING the Notice of Motion, the Affidavit of Stuart Wheldon sworn December 14, 2021 and the exhibits thereto, the Second Report of Richter Advisory Group Inc. in its capacity as proposal trustee in this proceeding (the “**Proposal Trustee**”) dated December 14, 2021 (the “**Second Report**”) and the appendices thereto, and such other materials filed in respect of this motion, and on hearing submissions of counsel to the Company, the Proposal Trustee, and such other counsel or persons listed on the Participant Information sheet, no one else from the service list appearing although properly served as appears from the affidavits of service filed,

APPROVAL OF REPORTS, ACTIVITIES AND FEES

1. **THIS COURT ORDERS** that the supplement to the First Report of the Proposal Trustee dated November 5, 2021, the Second Report, and the actions, conduct and activities of the Proposal Trustee as set out therein, be and are hereby approved.

2. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee and its counsel, including the Remaining Fees and Disbursements (as defined in the Second Report), as set out in the Second Report, the affidavit of Karen Kimel sworn December 14, 2021, and the Affidavit of Miranda Spence sworn December 13, 2021, be and are hereby approved.

DISTRIBUTION TO FCC

3. **THIS COURT ORDERS** that, upon the closing of the transactions (the “**Transactions**”) detailed in the Approval and Vesting Order dated December 17, 2021, the Proposal Trustee is authorized and directed to distribute \$400,000 from the proceeds of the Transactions to Farm Credit Canada, a secured creditor of the Company.

EXTENSION

4. **THIS COURT ORDERS** that the time for filing a proposal under section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) is hereby extended by a period of nine (9) days up to and including January 7, 2022.

CONCLUSION OF THE NOI PROCEEDING

5. **THIS COURT ORDERS** that upon the closing of the Transactions and effective upon the Proposal Trustee filing a certificate with the Court substantially in the form attached as **Schedule “A”** hereto (the “**Certificate**”):

- (a) the Notice of Intention to Make a Proposal filed by the Company on October 15, 2021 (the “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) shall be deemed to have been withdrawn, annulled and/or cancelled for all purposes and that the Company shall not be deemed to have made an assignment in bankruptcy under Section 50.4(8) of the BIA; and
- (b) these proceedings in respect of the Company shall be terminated without any other act or formality, save and except as provided in this Order, and provided that nothing herein impacts the validity of any Orders made in this proceeding or any actions or steps taken by any Person pursuant to or as authorized by any Orders of the Court made in this proceeding.

6. **THIS COURTS ORDERS** that the Proposal Trustee shall file with the Office of the Superintendent in Bankruptcy (the “**OSB**”) a copy of the Certificate, together with a copy of this Order, as soon as reasonably practicable but by no later than January 6, 2022. Upon receipt, the OSB is directed to take any and all steps as may be necessary to ensure that the provisions of this Order are carried out., including but not limited to registering the Company’s NOI as void and reflecting the same in the OSB’s records and registry.

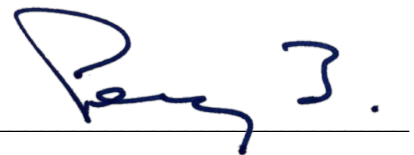
7. **THIS COURT ORDERS** that, for avoidance of doubt, the Company shall not be deemed to be bankrupt by reason only of there being no proposal filed with the OSB and approved by the Company’s creditors, by reason only of there being no Court approval of a proposal, or by reason only of the present order causing any other irregularity in respect of the NOI and proposal process under the BIA.

8. **THIS COURT ORDERS** that, effective upon the filing of the Certificate, the Administration Charge, the DIP Charge and the Directors' Charge (each term as defined in the Order of the Court dated November 8, 2021), shall be terminated, released, and discharged in respect of the Company without any other act or formality.

DISCHARGE OF THE PROPOSAL TRUSTEE

9. **THIS COURT ORDERS** that, effective upon the filing of the Certificate, Richter is hereby discharged as Proposal Trustee, provided however that notwithstanding its discharge herein (a) Richter shall remain Proposal Trustee for the performance of such incidental duties as may be required to complete the administration of the NOI proceeding, and (b) the Proposal Trustee shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, and protections in favour of Richter in its capacity as Proposal Trustee.

10. **THIS COURT ORDERS AND DECLARES** that, effective upon the filing of the Certificate, Richter is hereby released and discharged from any and all liability that Richter now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Richter while acting in its capacity as Proposal Trustee, save and except for any gross negligence or wilful misconduct on the Proposal Trustee's part. Without limiting the generality of the foregoing, Richter is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within proceeding, save and except for any gross negligence or wilful misconduct on the Proposal Trustee's part.



SCHEDULE “A”

Estate File No.: 31-2774500
Court File No.: 31-2774500

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PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

- A. On October 15, 2021, Junction Craft Brewing Inc. (“**Junction**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B.-3, as amended (the “**BIA**”).
- B. Richter Advisory Group Inc. (“**Richter**”) was appointed as trustee (in such capacity, the “**Proposal Trustee**”) under the NOI.
- C. On December 17, 2021, The Honourable Mr. Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Ancillary Order**”), among other things:
- (a) authorizing the withdrawal and cancellation of the NOI;
 - (b) terminating the NOI proceedings;
 - (c) terminating and releasing Administration Charge, the DIP Charge and the Directors’ Charge (each term as defined in the Order of the Court dated November 8, 2021 made in these proceedings);
 - (d) discharging Richter as Proposal Trustee; and

(e) releasing and discharging Richter from any liability that Richter now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Richter while acting in its capacity as Proposal Trustee, save and except for any gross negligence or willful misconduct on the Proposal Trustee's part.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Ancillary Order.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The NOI is hereby withdrawn and cancelled.
2. This Certificate was delivered by the Proposal Trustee on the _____ day of _____, 2021.

RICHTER ADVISORY GROUP INC. solely in its capacity as the Proposal Trustee of the Company, and not in its personal capacity

Per:

Name:

Title:

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JUNCTION CRAFT BREWING INC.

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(IN BANKRUPTCY AND INSOLVENCY)
Proceedings commenced at TORONTO

**PROPOSAL TRUSTEE'S
CERTIFICATE**

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Lawyers for Richter Advisory Group Inc.
in its capacity as Proposal Trustee

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JUNCTION CRAFT BREWING INC.

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