

NO. S118142  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57

AND

IN THE MATTER OF ELIA FASHIONS LTD. (in its own capacity and in its capacity as a partner of PLEASE MUM PARTNERSHIP) and BOSSA NOVA FASHIONS LTD. (in its own capacity and in its capacity as a partner of PLEASE MUM PARTNERSHIP)

**PETITIONERS**

**ORDER**

BEFORE THE HONOURABLE

)

WEDNESDAY, the 28<sup>th</sup> DAY

MR. JUSTICE BURNYEAT

)

OF MARCH, 2012

)

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 28<sup>th</sup> day of March, 2012; AND ON HEARING John Sandrelli, counsel for the Petitioners and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the Affidavit #3 of Kathryn Adrian sworn March 25, 2012; AND pursuant to section 74(1)(a) of the *Business Corporations Act*, S.B.C. 2002, c. 57 as amended, and the inherent jurisdiction of this Honourable Court:

THIS COURT ORDERS AND DECLARES THAT:

1. Bossa Nova Fashions Ltd. ("**Bossa**")'s purchase of 0710345 B.C. Ltd. ("**071**")'s beneficial interest in the lands located at 333 Woodland Drive, Vancouver, B.C. (the "**Beneficial Asset**") and legally described as:

Firstly: City of Vancouver, PID: 015-292-835, Lot 1 Block 4 of Block C District Lot 183 Plan 417; and

Secondly: City of Vancouver, PID: 015-292-851, Lot A (Explanatory Plan 2993)  
Block 4 of Block C District Lot 183 Plan 417

(collectively, the "**Lands**")

in exchange for 1,335,000 Class A Non-Voting Preferred Shares (the "**Pref Shares**"), to be issued by Bossa to 071, as described in the Affidavit #3 of Kathryn Adrian, sworn March 25, 2012 (the "**071/Bossa Beneficial Asset Purchase Transaction**"), is hereby approved such that:

- (a) Bossa is hereby authorized and approved to:
  - (i) increase its authorized capital by creating an unlimited number of Class A Non-Voting Preferred Shares without par value;
  - (ii) enter into and execute a section 85 of the *Income Tax Act* (Canada) asset purchase agreement to purchase the Beneficial Asset from 071 (the "**071/Bossa Agreement**");
  - (iii) issue the Pref Shares to 071 as consideration for the purchase of the Beneficial Asset, increase the capital of Bossa attached to the Pref Shares by \$13,350,000 and set both the aggregate redemption price and issue price for the Pref Shares at \$13,350,000;
  - (iv) enter into and execute a bare trust and agency agreement whereby Bossa will direct 071 to hold the legal title to the Lands to give effect to the 071/Bossa Agreement;
  - (v) enter into and execute an indemnity agreement whereby 071 agrees to indemnify Bossa for any debts or liabilities registered against title to the Lands and any property taxes owing with the respect to the Lands; and
- (b) Bossa and its directors and shareholders are hereby authorized and approved to take such additional steps and execute such additional documents

as may be necessary or desirable for the completion of the 071/Bossa Beneficial Asset Purchase Transaction.

2. Upon the closing of the 071/Bossa Beneficial Asset Purchase Transaction, the Beneficial Asset shall vest in Bossa free and clear of:

(a) the "**Administration Charge**", as defined and created pursuant to the Initial Order granted on December 6, 2011 (the "**Initial Order**");

(b) the "**Directors' Charge**", as defined and created pursuant to the Initial Order; and

(c) any estate, right, title, equity of redemption, interest (beneficial or otherwise) or any other claim whatsoever of any creditor or claimant of Bossa or of any other party claiming against the Lands through or against Bossa

(collectively, the "**Claims**").

3. Bossa is hereby authorized and approved, after the closing of the 071/Bossa Beneficial Asset Purchase Transaction, to reduce the capital of Bossa attached to the Pref Shares by \$13,350,000 (the "**Reduced Amount**") pursuant to sections 74(1)(a) and 74(1.2) of the *Business Corporations Act* (British Columbia) as amended, and Bossa is hereby further authorized and approved to pay the Reduced Amount to 071 by way of a transfer of the Beneficial Asset to 071 and upon such transfer, the Beneficial Asset shall vest in 071 free and clear of the Claims.

4. For greater certainty, 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 Bossa and any bankruptcy order issued pursuant to such applications;

(c) any assignment in bankruptcy made in respect of Bossa; and

(d) any applications for an order now or hereafter issued pursuant to the *Winding Up and Restructuring Act* (Canada) in respect of Bossa and any winding up order issued pursuant to such application,

the transactions approved herein including the 071/Bossa Agreement, Bossa's reduction of the capital attached to the Pref Shares by the Reduced Amount and payment of such Reduced Amount to 071 by way of a transfer of the Beneficial Asset to 071, the vesting of the Beneficial Asset in Bossa free and clear of the Claims and the vesting of the Beneficial Asset in 071 free and clear of the Claims (collectively, the "Transactions") shall be binding on any trustee in bankruptcy that may be appointed in respect of Bossa and shall not be void or voidable by creditors of Bossa, nor shall any of the Transactions constitute or be deemed to be a settlement, assignment, fraudulent preference, 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 any of the Transactions constitute oppressive or unfairly prejudicial conduct pursuant to any applicable or provincial legislation.

5. Nothing in this Order shall affect any encumbrances registered against title to the Lands as of the date of this Order.

6. Approval as to the form of this Order by counsel appearing on this application is hereby dispensed with.

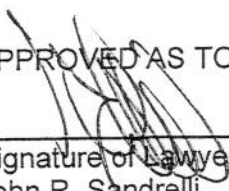
THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT.

  
BURNHEAT, J.

BY THE COURT

  
REGISTRAR

APPROVED AS TO FORM:

  
Signature of Lawyer for the Petitioners,  
John R. Sandrelli

**SCHEDULE "A"**

List of Counsel Appearing

<b>Counsel:</b>	<b>Appearing for:</b>
John Sandrelli	Petitioners