

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 PLANET ORGANIC HEALTH CORP. AND
DARWEN HOLDINGS LTD.

APPLICANTS

MOTION RECORD
(RETURNABLE ON JUNE 17, 2010)

June 16, 2010

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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 PLANET ORGANIC HEALTH CORP. AND
DARWEN HOLDINGS LTD.

APPLICANTS

MOTION RECORD
(RETURNABLE ON JUNE 17, 2010)

INDEX

<u>Tab No.</u>	<u>Description</u>	<u>Page No.</u>
1.	Notice of Motion, returnable on June 17, 2010	1
2.	Affidavit of Darren Krissie, sworn on June 16, 2010	9
(a)	<i>Exhibit "A" – Affidavit of Darren Krissie, sworn on April 29, 2010 (without exhibits)</i>	15
(b)	<i>Exhibit "B" – Initial Order, dated April 29, 2010</i>	41
(c)	<i>Exhibit "C" – Approval and Vesting Order, dated June 4, 2010</i>	59
(d)	<i>Exhibit "D" – Directors and Officers' Claims Procedure Order, dated June 4, 2010</i>	71
(e)	Exhibit "E" – Cash flow forecast	97

Tab 1

ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF PLANET ORGANIC HEALTH CORP. and DARWEN
HOLDINGS LTD.

APPLICANTS

NOTICE OF MOTION
(returnable on Jun 17, 2010)

The Applicants, Planet Organic Health Corp. ("Planet Organic") and Darwen Holdings Ltd., will make a motion to the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) on Thursday, June 17, 2010 at 10:00 am., or as soon after that time as the motion can be heard at the 330 University Avenue, Toronto, Ontario, M5G 1R8.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

- (a) an Order abridging time for service of the Notice of Motion and Motion Record in respect of this motion and dispensing with further service thereof;
- (b) an Order extending up to and including July 30, 2010, the stay of proceedings granted pursuant to the Initial Order issued by this Honourable Court;

- (c) an Order approving Deloitte & Touche Inc.'s (the "Monitor") Fourth Report to the Court and the actions and conduct described therein; and
- (d) such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

A. Background

1. Planet Organic is a TSX Venture Exchange listed publicly traded corporation, incorporated under the *Business Corporations Act* (Alberta) (ticker symbol: POH: TSX-V) and is a leading Canadian/US retailer of organic products.
2. Planet Organic has retail operations across Canada, in Ontario, British Columbia, Nova Scotia and Alberta which operate under the brand name Planet Organic Market ("POM") and retail operations in the United States (in New York State and Connecticut), which operate through its wholly owned subsidiary, Planet Organic Holding Corp. (the "US Holdco"), dba Mrs. Green's Natural Markets ("Mrs. Green's").
3. On April 29, 2010, Planet Organic and Darwen commenced an application under the *Companies' Creditors Arrangement Act* (CCAA) with the support of its senior secured creditor and were granted the Initial Order which provided, *inter alia*, a stay of proceedings in favour of the Applicants until May 27, 2010. By further court order, the stay of proceedings was extended to June 18, 2010.
4. On June 4, 2010, this Court made orders approving an acquisition agreement which provided for a going-concern acquisition of substantially all of the assets and operations

of Planet Organic and Darwen by the Applicants' senior secured creditor, The Catalyst Capital Group Inc., on behalf of funds managed by it (collectively, "Catalyst") and approving a procedure for calling and the determination of all claims against the directors and officers of the Applicants.

B. Extension of the Stay of Proceedings

5. The Applicants and Catalyst's assignee, 7562578 Canada Inc., successfully closed the acquisition on June 4, 2010 after the Monitor delivered the Monitor's Certificate which, *inter alia*, confirmed that the transaction had been completed to the Monitor's satisfaction. The Applicants' management is currently assisting Catalyst with making the transition as smooth as possible for the employees, customers, creditors and other stakeholders of the Applicants' business.
6. The claims process contemplated by the Claims Procedure Order is underway with a Claims Bar Date of June 25, 2010.
7. An extension of the stay of proceedings to July 30, 2010 is necessary so that the Applicants can continue to assist with the transition of the business to its new owner and permit time for the claims process to be completed.
8. Planet Organic has been acting, and continues to act in good faith and with due diligence in these proceedings.
9. The provisions of the CCAA and Rules 2.03, 3.02, 16 and 37 of the Rules of Civil Procedure.

10. Such further and other grounds as counsel may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE: will be used at the hearing of the motion:

- (a) Affidavit of Darren Krissie sworn June 11, 2010;
- (b) Fourth Report of the Monitor; and
- (c) such further and other materials counsel may advise and this Honourable Court may permit.

June 16, 2010

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
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PLANET ORGANIC HEALTH CORP. AND DARWEN HOLDINGS LTD.

Court File No: 10-8699-00CL

APPLICANTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(returnable on June 17, 2010)**

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Lawyers for the Applicants

Tab 2

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

IN THE MATTER OF THE *COMPANIES' CREDITORS
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AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF PLANET ORGANIC HEALTH
CORP. AND DARWEN HOLDINGS LTD.

APPLICANTS

**AFFIDAVIT OF DARREN KRISSIE
(Sworn on June 16, 2010)**

I, **DARREN KRISSIE** of the City of Edmonton, in the Province of Alberta,
MAKE OATH AND SAY:

1. I am a co-founder and, until I tendered my resignation on June 7, 2010, was the Executive Vice-President, and one member of the two-member Office of the Chief Executive Officer (“OCEO”) of the Applicant, Planet Organic Health Corp. (“Planet Organic”). Prior to my appointment as EVP, I served as the Vice-President Business Development and Chief Financial Officer of Planet Organic since its inception. In addition, until my resignation on June 7, 2010, I was a director and an officer of the Applicant, Darwen Holdings Ltd. (“Darwen”), which is a subsidiary of Planet Organic. As such, I have personal knowledge of the matters to which I hereinafter depose, save

and except where stated to be based on information and belief, in which case, I do verily believe the same to be true.

2. I swear this affidavit in support of a motion for an order extending to and including July 30, 2010 the stay of proceedings granted pursuant to the Initial Order, dated April 29, 2010 (“Initial Order”).

3. The reasons and events leading up to the application for CCAA protection are more particularly set out in my Affidavit sworn April 29, 2010 (“April 29 Krissie Affidavit”) in support of the application under the CCAA, a copy of which affidavit is attached hereto (without exhibits) as **Exhibit “A”**. A copy of the Initial Order is attached hereto as **Exhibit “B”**. Pursuant to the Initial Order, Deloitte & Touche Inc. was appointed the monitor (“Monitor”) of the Applicants.

4. Unless otherwise stated, defined terms used in this affidavit are the same as in my affidavit sworn April 29, 2010.

A. Background

5. Planet Organic is a TSX Venture Exchange listed publicly traded corporation, incorporated under the *Business Corporations Act* (Alberta) (ticker symbol: POH: TSX-V) and is a leading Canadian/US retailer of organic products.

6. Until the closing of the Acquisition (defined below), Planet Organic had retail operations across Canada, in Ontario, British Columbia, Nova Scotia and Alberta which operate under the brand name Planet Organic Market (“POM”) and retail operations in the United States (in New York State and Connecticut), via its wholly owned subsidiary,

Planet Organic Holding Corp. (the "US Holdco"), dba Mrs. Green's Natural Markets ("Mrs. Green's").

7. A more detailed description of Planet Organic and its business is set out in paragraphs 4 to 10 of the April 29 Krissie Affidavit.

8. On April 29, 2010, Planet Organic and Darwen commenced an application under the *Companies' Creditors Arrangement Act (CCAA)* with the support of its senior secured creditor and were granted the Initial Order which provided, *inter alia*, a stay of proceedings in favour of the Applicants until May 27, 2010. By further court order, the stay of proceedings was extended to and including June 18, 2010.

- 9. On June 4, 2010, the Applicants brought a motion to the court seeking:
 - (a) the approval of an acquisition of substantially all of the assets and operations of Planet Organic and Darwen (the "Acquisition") by the Applicants' senior secured creditor, The Catalyst Capital Group Inc., on behalf of funds managed by it (collectively, "Catalyst"); and
 - (b) approving a procedure for calling and the determination of all post-filing claims against the directors and officers of the Applicants.

The court granted two orders on June 4, 2010: (i) a approval and vesting order approving the Acquisition with Catalyst and providing for a vesting of title upon closing; and (ii) a claims procedure order for the determination of post-filing claims against the directors and officers of the Applicants. A copy of the Approval and Vesting Order and the Claims Procedure Order are attached and **Exhibits "C"** and **"D"**, respectively.

B. Current Status

B.1 The Acquisition

10. The Applicants and Catalyst's assignee, 7562578 Canada Inc. ("756"), successfully closed the Acquisition on June 4, 2010 after the Monitor delivered the Monitor's Certificate which, *inter alia*, confirmed that the conditions to closing had been satisfied or waived, that the Applicants had been released from the Guarantee in respect of the Term B Credit Agreement, and that the transaction had been completed to the Monitor's satisfaction.

11. The vast majority of the employees were notified of the termination of their employment with the Applicants on June 4, 2010 and most remaining employees were notified the week of June 7, 2010. There are a few remaining employees, mostly those on vacation or otherwise away from work, who are in the process of being notified. In connection with same, Catalyst has provided a limited indemnity to the directors and officers of the Applicants to cover any possible liability post-closing up to a maximum coverage of \$50,000 for notifications between the closing and Tuesday June 8, 2010.

12. To date, approximately 90% of the employees (other than those at the Vaughan location which has been closed) have accepted employment offers with 756.

B.2 Corporate and Securities Matters

13. Planet Organic notified the TSX Venture Exchange in respect of the Approval and Vesting Order granted on June 5, 2010. Planet Organic's shares were halted from trading on June 7, 2010 and suspended on June 12, 2010.

14. As mentioned, I tendered my resignation as an officer and director of each applicant on June 7, 2010.

15. Prior to my resignation, I instructed counsel to attend to the extension of the stay of proceedings and assist with the orderly transition of Planet Organic's business to the purchaser as discussed above and with the orderly transition of Planet Organic and Darwen to new management.

B.3 The Directors & Officers Claims Process

16. In accordance with the Claims Procedure Order, I am advised that the Monitor posted on its website the Proof of Claim Document Package on June 9, 2010 and two advertisements in The Globe and Mail, National Post, the Toronto Star, Calgary Herald and Edmonton Journal ran June 10 & 11, 2010.

17. The Claims Bar Date is June 25, 2010.

C. The Need to Extend the Stay of Proceedings

18. The current stay of proceedings expires on June 18, 2010.

19. The Applicants are requesting a stay extension up to and including July 30, 2010 in order to permit the an orderly transition of the business and completion of the

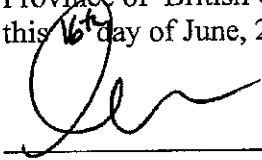
Directors and Officers Claims Process.

20. Planet Organic has been acting, and continues to act in good faith and with due diligence in these proceedings.

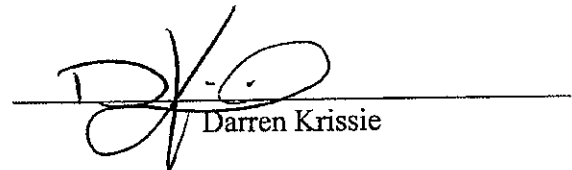
21. Attached and marked as **Exhibit "E"** is a true copy of the Applicants' consolidated cashflow projection which was included with the initial application.

22. I swear this affidavit in support of a motion for an extension of the stay of proceedings and for no other or improper purpose.

SWORN BEFORE ME at the)
City of Vancouver in the)
Province of British Columbia)
this 16th day of June, 2010.)



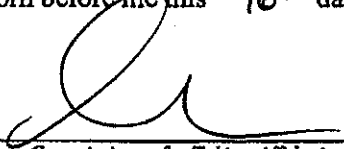
Commissioner for Taking Affidavits (or as may be)



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This is Exhibit "A" referred to in the Affidavit of Darren Krissie,
sworn before me this 16th day of June, 2010.



Commissioner for Taking Affidavits (or as may be)

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Court File No.

**ONTARIO
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**IN THE MATTER OF THE *COMPANIES' CREDITORS
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APPLICANTS

AFFIDAVIT OF DARREN KRISSIE

(Sworn April 29, 2010)

**I, DARREN KRISSIE of the City of Edmonton, in the Province of Alberta,
MAKE OATH AND SAY:**

1. I am a co-founder, current Executive Vice-President, and one member of the two-member Office of the Chief Executive Officer ("OCEO") of the Applicant, Planet Organic Health Corp. ("Planet Organic"). Prior to my appointment as EVP, I served as the Vice-President Business Development and Chief Financial Officer of Planet Organic since its inception. In addition, I am an director and officer of the Applicant, Darwen Holdings Ltd. ("Darwen"), which is a subsidiary of Planet Organic. As such, I have personal knowledge of the matters to which I hereinafter depose, save and except where stated to be based on information and belief, in which case, I do verily believe the same to be true.

2. I swear this affidavit in support of an application under the *Companies' Creditors Arrangement Act* (the "CCAA").

3. Unless otherwise indicated, all monetary amounts referenced in this affidavit are expressed in Canadian dollars.

I. Background

A. Overview of the Business

4. Planet Organic is a TSX Venture Exchange listed publicly traded corporation, incorporated under the Business Corporations Act (Alberta) (ticker symbol: POH: TSX-V) and is a leading Canadian/US retailer of organic products. Planet Organic has retail operations across Canada, in Ontario, British Columbia, Nova Scotia and Alberta, and retail operations in the United States (in New York State and Connecticut), which operate through its wholly owned subsidiary, Planet Organic Holding Corp. (the "US Holdco"), dba Mrs. Green's Natural Markets ("Mrs. Green's").

5. Planet Organic started as a single store in Alberta in 2001 under the brand name Planet Organic Market ("POM"), with a view to participating in the natural and organic foods segment of the food industry. This industry segment has experienced double-digit annual growth in recent years. This first store was followed by the acquisition of stores located in Victoria, British Columbia, and Calgary, Alberta, which were rebranded as POM stores.

6. POM distinguishes itself from its competition through its commitment to organic and natural products sold in an average store size of approximately 9,000 square feet in

locations with lower population densities and attractive demographics where larger competitors cannot support stores.

7. This early success in Western Canada was followed by a period of expansion through which Planet Organic built a national, natural/organic sales and distribution business. This expansion was accomplished by a series of strategic acquisitions meant to grow and expand the business, summarized as follows:

- (a) in July 2004, Darwen and Sangster's Enterprises Ltd., two (2) companies which operated a chain of 43 franchised small footprint vitamin stores with locations across Canada, were acquired by Planet Organic. These two (2) companies were subsequently amalgamated as Darwen in December 2004 ("Sangster's"). Planet Organic also acquired S-5 Holdings Ltd., a holding corporation which held certain real property leases for the Sangster's retail locations, as part of this transaction;
- (b) in August 2005, Planet Organic acquired 616407 Alberta Ltd. (operating as "Newfound Health"), a franchise chain of supplement and body care locations in Alberta whose operations were subsequently folded into Sangster's;
- (c) in January 2005, Trophic Canada Limited ("Trophic"), one of Canada's leading manufacturers of natural supplements located in Penticton, British Columbia, was acquired by Planet Organic with a view to vertically integrating its vitamin supply into the Planet Organic family and expanding Trophic's retail presence throughout Canada. Trophic was vertically amalgamated with Planet Organic on July 1, 2007;

- (d) in June 2006, Healthy's, The Athletes Edge Inc., Amdek Marketing Inc., and Hatem Inc. (a chain of seven (7) vitamin stores in Toronto), were acquired by Planet Organic. These three entities were amalgamated into Healthy's, The Athletes Edge Inc. on July 1, 2007. Healthy's, The Athletes Edge Inc. was subsequently vertically amalgamated with Planet Organic on January 1, 2010 and became the Healthy's division of Planet Organic;
- (e) in September 2006, Planet Organic acquired The Big Fresh Inc. a single store located in Edmonton, Alberta, which was rebranded as a POM store and was amalgamated with Planet Organic on July 1, 2007; and
- (f) in July 2007, eleven (11) separate legal entities operating as Mrs. Green's Natural Food Markets, Inc., a U.S chain with nine (9) stores in New York state and two (2) stores in Connecticut was acquired along with a management company by Planet Organic through US Holdco which was incorporated for the purpose of making the purchase. Mrs. Green's is a leading small-format natural organic food retailer and its stores are of similar size and concept to the POM stores in Canada.

8. The total combined acquisition cost was approximately \$43 million, a significant portion of which was financed through working capital, term debt and subordinated debt, described in more detail in Section B.4 below. A chart outlining the corporate structure of Planet Organic and its subsidiaries as of January 31, 2010, is attached hereto as Exhibit "A".

9. As set out in greater detail in paragraphs 55 to 58 below, there were a series of subsequent divestiture transactions (the "Non-Core Asset Sales") to pay down debt

during February and March 2010. A chart outlining the current corporate structure of Planet Organic and subsidiaries after completing the Non-Core Asset Sales is attached hereto as Exhibit "B".

10. Darwen is a wholly owned subsidiary of Planet Organic incorporated under the laws of Saskatchewan which operated the "Sangster's" business. As one of the Non-Core Asset Sales, the main assets of the "Sangster's" business were acquired by JAMM Enterprises, Inc. which left Darwen as a non-operating shell company with significant liabilities, as it guaranteed the liabilities of Planet Organic, and a few assets, including accounts receivable.

11. Planet Organic currently operates nine (9) natural food supermarkets in Canada under the POM banner of which six (6) are in Western Canada, two (2) are in Ontario and one (1) is in Nova Scotia. Eleven (11) natural food supermarkets are owned and operated by US Holdco's subsidiaries in the United States under the Mrs Green's brand.

B. Planet Organic's Current Operations

12. Planet Organic is a reporting issuer, as such term is defined pursuant to applicable securities legislation in the Provinces of Alberta and British Columbia. Planet Organic is currently in good standing with the British Columbia and Alberta Securities Commissions.

B.1 Leases

13. The POM stores in Canada and Mrs Green's stores in the United States operate from leased premises. All of the leased premises are owned by arm's length parties. All of the leases are currently in good standing.

B.2 Employees

14. There are approximately 500 employees employed in POM stores, of which 300 are full time and 200 are part-time. US Holdco and its subsidiaries in the US, collectively, employ a total of approximately 300 employees of which 90 are full-time and 210 are part-time. All of the employees are currently non-unionized. A recent attempt to unionize the workers at Planet Organic's Port Coquitlam store in British Columbia was unsuccessful.

15. Planet Organic is current with employee related obligations. There are no employee registered or unregistered pension plans.

B.3 Unsecured Creditors

16. Planet Organic's unsecured net debt as it appears from its books and records, as at April 22, 2010 is \$1,051,696.77. Planet Organic is current with the majority of its unsecured creditors.

17. As of March 31, 2010, the inter-company payables break down as follows:

- (a) \$1,337,236 is owing to Darwen; and
- (b) \$2,522,027 is owing from US Holdco.

18. Planet Organic is currently a party to the following legal proceedings:

- (a) on January 15, 2010, Ms. Nora Aboudaya commenced an application at the Human Rights Tribunal of Ontario against Planet Organic alleging that she was discriminated against her in the course of her employment and is seeking \$32,500 in financial remedies, and the implementation of policies and training for Planet Organic's staff.

B.4 Secured Creditors

19. As mentioned, Planet Organic significantly increased its borrowing to finance the acquisition of Mrs. Green's, the expansion and development of new POM stores, and the upgrading/remodelling of existing facilities. As a result, Planet Organic has several long term debt instruments, including term debt and convertible debt. The debt facilities are denominated in US dollars or Canadian dollars. Some of the debt facilities are recorded on Planet Organic books and some on US Holdco's books.

B.4.1 The Toronto-Dominion Bank

20. The Toronto-Dominion Bank ("TD") provided secured loans in the amount of US\$4,000,000 in a Canadian revolving credit commitment, US\$3,500,000 revolving credit commitment and US\$4,000,000 in a term loan (of which US\$2.8 million was drawn). TD was repaid in full on March 17, 2010 from the proceeds of the Non-Core Asset Sales. Following repayment of its loans, TD discharged its security registered against Planet Organic and against the US Holdco.

B.4.2 Ares Capital Corporation

21. Ares Capital Corporation arranged for secured financing in the amount of US\$17.5 million in term loans from a series of lenders and, prior to the sale of such loans (as described in paragraph 25), acted as agent for those lenders (Ares Capital Corporation and the lenders are collectively referred to as "Ares") under the terms of the Amended and Restated Term Loan Agreement, dated as of November 30, 2007 (the "Ares Loan"). Attached and marked as Exhibit "C" is a copy of said agreement.

22. Ares and Partnership Capital Growth Fund I LP, a fund owned/operated by an affiliate of PCG (defined below), also arranged secured financing of US\$11 million for Planet Organic by way of convertible notes pursuant to a Note Purchase Agreement, dated July 3, 2007 (the "Ares/PCG Loan"). A copy of the Note Purchase Agreement and two (2) convertible notes are attached and marked as Exhibit "D", "E" and "F", respectively.

23. Pursuant to the Ares Loan and Ares/PCG Loan, Planet Organic and its subsidiaries provided security to Ares over all of its assets, including security over US Holdco. As noted above, Darwen guaranteed the obligations of Planet Organic under the Ares Loan.

24. As of the most recent audited financial statements for the fiscal year ended June 30, 2009, Planet Organic owed US\$36,412,069 in long-term debt and notes to these secured creditors as determined under Canadian generally accepted accounting principles. The face value of the debt outstanding at June 30, 2009 was US\$35,683,294. As of March 16, 2010, this number rose to approximately US\$38.5 million. As a result of the Non-Core Asset Sales as of March 17 2010, the Planet Organic debt outstanding to secured creditors was reduced to approximately US\$29.7 million.

B.4.3 Catalyst Acquisition of Indebtedness

25. On or about April 20, 2010, The Catalyst Capital Group Inc. ("Catalyst") acquired the Ares Loan, the Ares/PCG Loan and the related security by way of assignment. As a result, Catalyst is now Planet Organic's senior secured lender. As at the date of the swearing of this Affidavit, Catalyst is owed approximately US\$~~30.1~~ million.

\$ 32.6

B.4.4 Other Secured Creditors

26. There are a total of four (4) other secured creditors of Planet Organic who are registered in Alberta and each appears to hold security over specific equipment. There is one (1) other secured creditor of Darwen who is registered in Alberta and who appears to hold security over specific equipment.

B.4.5 Personal Property Security Searches

27. Attached hereto for informational purposes are true copies of personal property security searches from each of Ontario, Alberta, British Columbia and Nova Scotia marked as Exhibits "G", "H", "I" and "J", respectively.

B.5 Share Capital

28. Planet Organic is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, of which 34,664,794 common shares have been issued and are outstanding. No preferred shares have been issued.

29. Planet Organic has approved a stock option plan whereby options may be granted to employees, consultants, officers and directors totalling up to 10% of its issued and outstanding common shares. Other than unexercised options expiring, there have been no share option transactions from June 30, 2009 to the date of this Affidavit. There were no warrant transactions from June 30, 2009 to the date of this Affidavit.

30. Mr. Ron Francisco, who is the majority shareholder of Planet Organic, holds approximately 67% of the outstanding shares of Planet Organic and is a controlling shareholder of a major supplier to Planet Organic, Horizon Distributors Ltd.

B.6 Governmental Agencies

31. Planet Organic is current on its governmental remittances, including source deductions, GST and provincial sales taxes.

B.7 Assets vs. Liabilities

32. Attached and marked as Exhibits "K" and "L" are copies of Planet Organic's last audited financial statement for the year ending June 30, 2009 and the unaudited financial statement for the period ending December 31, 2009.

33. As is evident from both statements, there is significant goodwill associated with the ongoing business, which goodwill would be jeopardized if operations were disrupted.

34. In addition, a liquidation analysis of Planet Organic was undertaken by PricewaterhouseCoopers LLP and suggests that the liquidation value of Planet Organic is substantially less than the secured indebtedness owing to Catalyst.

35. Catalyst has demanded repayment of the loans and Planet Organic is unable to repay said debt.

C. Covenant Defaults in 2008 and 2009

36. The recent global economic downturn did not spare POM in Canada or Mrs. Green's in the US. In FY09, POM stores sales increased 5.4%, yet EBITDA declined from positive \$752,042 to negative (\$225,604), primarily related to \$1.4 million of losses at two new Ontario locations in Vaughan and Markham. In the same period, Mrs. Green's experienced 1.4% sales growth, yet with a resulting EBITDA decline of (US\$209,979).

Consolidated EBITDA declined 15% percent between FY2008 and FY2009. Significant EBITDA declines in both Planet Organic and other non-core business units resulted in debt to EBITDA ratios of 6.2 times, well above allowable covenant levels.

37. Under existing debt arrangements, there are five (5) financial covenants that management regularly monitors and then reports on a quarterly basis. The ratios are:

- (a) total leverage ratio;
- (b) senior leverage ratio;
- (c) fixed charge coverage ratio;
- (d) interest coverage ratio; and
- (e) capital expenditure limits ratio.

38. As a result of the economic pressures caused by the general economic downturn, Planet Organic breached its total leverage ratio by December 31, 2008 and by June 30, 2009, the senior leverage ratio and interest coverage ratio had also been breached.

D. Attempts to Raise Capital/Equity in 2008 and Early 2009

39. Early in 2008, after recognizing that the increased leverage and risk would ultimately affect the viability of the business, Planet Organic decided to initiate a process to raise capital and engaged Canaccord Adams to assist in raising equity through a secondary offering. Canaccord Adams secured a proposed investment at \$1.80 to \$2.00 per share which at the time represented an approximately 10% discount to the then average share price. The secondary offering was blocked by Mr Francisco, because I

understand that he did not want any dilution to existing shareholders and/or an offering of less than \$2.00 per share.

40. After several days of negotiations with Mr. Francisco, the Board of Directors authorized a price of \$2.00 per share because Mr. Francisco would not approve a capital raise below that price. Planet Organic, though, was unable to raise any capital at the price of \$2.00 per share.

41. In early 2009, Planet Organic engaged Partnership Capital Growth LLC ("PCG"), an investment bank based in San Francisco, California, to act as advisor for the purpose of reorganizing or recapitalizing the business or other restructuring alternatives, including a sale and/or divestiture process. In addition to being the financial advisor for Planet Organic, through its affiliate Partnership Capital Growth Fund I LP, PCG is a convertible note holder as referenced in paragraph 22 above. Brent Knudsen who is a principal of PCG is also a member of the Planet Organic's Board of Directors and OCEO.

42. As a result of engaging PCG, Planet Organic has had confidential discussions with a broad group of potential investors and buyers in respect of a sale of or investment in Planet Organic. PCG contacted approximately 213 parties in total over the course of its engagement. However, investor interest waned as Planet Organic's performance continued to deteriorate in 2009.

E. Management and Operational Restructuring in Spring-Summer 2009

43. The covenant breaches and declining financial performance resulted in an in-depth operational review that led to several key management and organizational changes.

44. On May 22, 2009, Mr. Francisco was replaced as CEO with a 2-member OCEO of which I am a member along with Mr. Knudsen. The OCEO was appointed by the Board to fulfill the CEO role on an interim basis. Arthur Warsaw, a specialist in company turnarounds, was hired through PCG as a third party consultant to assist in stabilizing the business and advise the OCEO. Mr. Warshaw brings 50 years of experience leading businesses in a variety of industries.

45. Additionally, in light of the poor operating results Mark Craft and Diane Shaskin, VP of Operations and VP of Marketing, respectively, were terminated and replaced by promoting two (2) individuals from within the organization. Mark Craft was a Company founder and a member of the Board of Directors up to this time.

46. In or about June 2009, a 100-Day Operational Plan was instituted by the OCEO and the Board of Directors, which plan included a full review of corporate strategy, operations, and restructuring opportunities. The operational plan included the following key initiatives:

- (a) board & corporate restructuring, including a complete review and assessment of historic and ongoing results which drove management changes;
- (b) rationalizing core business;
- (c) instituting formal reporting packages and controls focused on awarding incremental performance across key functional areas including revenue, EBITDA, inventory turns, and margin;
- (d) implementing a compensation plan that aligned employee performance with corporate objectives;

- (e) implementing a revised and more efficient/targeted marketing program focused on driving traffic including new in-store training, programs, contests aimed at increasing average sale; and
- (f) monitoring ongoing progress through weekly operating calls and holding regular board meetings.

47. Driven by mounting losses and a lack of visible improvement in performance, the OCEO determined to and completed the closure of the POM store in Markham, Ontario. For similar reasons, it determined to close the Healthy's Vaughan store in February 2010 prior to the sale of those assets. The issues facing Planet Organic were reported to the shareholders in the most recent 2008/2009 Annual Report including that a refinancing and/or divestiture strategy may be pursued.

F. Negotiations with Lenders in Fall 2009

48. Negotiations with Planet Organic's lenders began in earnest in September 2009 with a view to finding an option that would allow Planet Organic to continue as a going concern, including the renegotiation or refinancing of its loan agreements and the covenants therein.

49. Planet Organic and Ares entered into Forbearance Agreements dated September 25, 2009. Planet Organic entered into a Forbearance Agreement with TD, dated September 25, 2009. Under the terms of the Forbearance Agreements, Ares and TD agreed to waive their rights to call the loans due to the covenant breaches until November 30, 2009. Attached and marked as Exhibits "M" and "N" are copies of the Forbearance Agreements.

50. In October 2009, Planet Organic attempted to issue bonus shares into escrow to negotiate with debt holders for a reduction in penalty interest and a prospective conversion of debt to equity. This action was approved by the Board of Directors and conditionally approved by the TSX Venture Exchange. However, Mr. Francisco, via his counsel, objected to the issuance and the TSX Venture Exchange subsequently reversed its conditional approval. Ares' counsel subsequently advised Planet Organic of the impact this may have on Ares' willingness to convert debt to equity and negotiate further forbearance.

51. Notwithstanding the foregoing, Planet Organic was optimistic that negotiations with Ares would be successful and lead to a renegotiation of the debt terms and conditions as all the principal and interest payments to Ares continued (and still continues) to be made. Unfortunately, due to the opposition of Mr. Francisco and, in part, the reversal of approval by the TSX-V, Planet Organic was denied a means by which to convert or reduce the debt in the ordinary course of business. Ares in response thereafter (in November 2009) advised Planet Organic that they wished to end their relationship.

52. In the result, both TD and Ares remained in a position to declare all of the loans in default and demand payment from that point onward. And each demanded that Planet Organic work towards reducing the debts owed to each of them, including by way of the sale of some or all of the assets of business.

G. The Refinancing and Divestiture Strategy in Late 2009 and Early 2010

53. Between September 2009 and November 2009, Planet Organic undertook an extensive effort to refinance its operations in conjunction with PCG. PCG was selected by the Board of Directors based on its industry focus and expertise in the healthy living space generally and in natural and organic food/retail specifically, its track record of success, and existing knowledge of Planet Organic and investors focused in the area. PCG worked closely with the Board and the OCEO throughout the following:

- (a) the OCEO attempted to issue bonus shares into escrow to negotiate with debt holders for a reduction in penalty interest and a prospective conversion of debt to equity as more particularly discussed in paragraph 50 above. As mentioned, because Mr. Francisco objected to the issuance of such shares, the OCEO began pursuing the sale or recapitalization of assets to pay down debt;
- (b) in December 2009, Planet Organic and PCG approached eight (8) banks with an Request for Proposal ("RFP") for the refinancing of POM and Mrs. Green's debt. Following a full review of diligence materials by each, Planet Organic received three (3) indications of interest to provide financing at debt ratios of 1.5 times to 2.5 times EBITDA. Given Planet Organic's then current ratios were well in excess of prospective new lender parameters, the Board of Directors decided to put on hold further refinancing efforts.
- (c) in November/December 2009, Planet Organic actively began to explore options for a sale of some or all of its assets. Due diligence processes with potential investors commenced for the sales of

certain non-core assets, namely, the Sangster's, Healthy's, and Trophic divisions with a view of reducing debt; and

- (d) PricewaterhouseCoopers LLP was engaged to provide fair market value for the sale of key assets.

54. The hope was that a sale of some assets could be concluded, such that the outstanding debt could be paid down to a more manageable and acceptable level and the core elements of the business kept by Planet Organic, or failing which, a sale of the whole business could be concluded which would maximize realizations and keep the business operating as a going concern with a new owner who was prepared to invest and grow the business.

H. Non-Core Asset Sales

55. As a result, Planet Organic undertook an extensive search for buyers of some or all of the non-core assets of the business with a view to maximizing realizations for all stakeholders. The detail of sales processes are as follows:

(a) **Sangster's/Healthy's Sales Process:**

In Q3 of calendar year 2009, PCG contacted 50 potential investors for the acquisition opportunity in the combined assets of the Sangster's and Healthy's divisions. Seven (7) interested parties performed a full review of the opportunity including a combination of legal, accounting and business due diligence as well as conversations with management and site visits. Of the seven (7) investor groups, five (5) submitted formal indications of interest. Following the completion of confirmatory diligence and documentation, on February 18, 2010, JAMM Enterprises, Inc.

purchased Sangster's for gross proceeds of \$1.1 million. The Healthy's division was separately sold to Health-X Corp. on March 16, 2010 for gross proceeds of \$348,500.

(b) Trophic Sales Process:

In Q4 of calendar year 2009, PCG conducted a focused process, contacting 33 targeted potential investors with strong background or strategic interest in the space. 16 groups engaged in a full review of initial diligence materials with five (5) groups expressing interest. Of the sixteen (16) investor groups, four (4) parties submitted formal Letters of Intent. Trophic was sold to Atrium Innovations Inc. on March 17, 2010 for gross proceeds of \$10.6 million.

56. The proceeds of the Non-Core Asset Sales were paid as follows:

- (a) \$5,296,266 to repay all outstanding indebtedness to the TD;
- (b) \$4,533,820 to reduce the existing indebtedness to Ares; and
- (c) \$1,268,614 for transaction related costs.

57. In addition, \$850,000 is currently held in two (2) escrow accounts: (i) \$250,000 for working capital adjustments; and (ii) \$600,000 for an indemnification escrow. Planet Organic expects to receive the \$250,000 from the first escrow account in the near future with the outstanding \$600,000 remaining in escrow for another 12 months.

58. While still a member of the Board of Directors, Mr. Francisco provided his consent to the Non-Core Asset Sales.

I. Impasse with Mr. Francisco

59. After Planet Organic's Board of Directors decided to explore the aforementioned divestiture strategy, Mr. Francisco, who was a director at the time, resigned from the Board of Directors on January 27, 2010 and subsequently advised the Board of Directors that he will not provide consent to any transaction involving core business assets that did not result in his ultimate controlling of Planet Organic.

60. I have been advised by Mr. Heighington (a former director of Planet Organic) who acts as Planet Organic's Alberta counsel that as a matter of Alberta corporate law, absent an Order of the Court, shareholder approval would be required for the sale of all or substantially all assets of Planet Organic. Since Mr. Francisco is the majority shareholder, he effectively has a veto power over any sale of the business and he has made it known to Planet Organic and its advisors that he is prepared to veto any sale that does not result in his control of the resulting company.

61. Mr. Francisco was offered the opportunity to refinance or restructure the business or table a plan that would pay Ares down or out, if his desire was to retain control of the business (as Planet Organic was unable to solicit any interest from any potential new partner that would leave Mr. Francisco with control of the company).

62. Mr. Francisco was advised that a viable offer had been received from Catalyst, one that would see the business survive and grow with new injections of capital. A face-to-face meeting between Mr. Francisco and Mr. Heighington was held in early March 2010 to discuss options and alternatives. I understand that Mr. Francisco rejected Catalyst's proposal and reiterated his opposition to any sale that did not result in his

control of the business. Again, Mr. Francisco was invited to submit an alternative offer or proposal.

63. To date, Mr. Francisco has not put forward any viable alternatives to a going concern sale to a third party despite continued contact and requests to do so.

J. Core-Asset Sales Process

64. Approximately one hundred and thirty (130) parties were canvassed for their interest in acquiring Planet Organic as a whole. Of those parties, fifty one (51) signed confidentiality agreements and were given access to an electronic data room. There were eleven (11) submitted expressions of interest and then six (6) bids were subsequently received for POM and Mrs Green's.

65. The bids received are summarized below:

- (a) an offer by Catalyst to acquire the combined assets of POM and Mrs. Green's for an effective purchase price in the range of \$33 million to \$36 million;
- (b) a revised offer for \$30 million by another party for the recapitalization of the entire business which was subject to arranging for financing;
- (c) a revised offer from another party in the range of USD \$14 million to USD \$18 million to acquire six western locations of POM;
- (d) another party's offer of \$7.6 million for the POM division only;
- (e) another party's offer in the range of USD \$15 million to USD \$18 million for Mrs. Green's only; and

- (f) another party's all cash offer in the range of USD \$20 million for POM and Mrs. Green's only.

66. The proposals received were reviewed by the Board of Directors and it resolved to create a committee of independent directors to review additional detail on the relative merits of the proposals and to make a recommendation to the board of directors of Planet Organic. The independent committee was composed of David Heighington, Ian Newton and me. On February 25, 2010, I resigned from the independent committee to ensure the committee's independence from management. On March 4, 2010, David Heighington resigned from the Board of Directors and the independent committee.

67. Based on these bids, several weeks of discussions and negotiations commenced amongst Planet Organic, its then secured creditor Ares and Catalyst, as the potential acquirer of, and highest bidder for, the assets or the shares of the company as set forth above. Due to a lack progress after several weeks of negotiations for the purchase of the assets or the shares of Planet Organic, Catalyst purchased the debt of Ares. As noted above, this debt purchase was completed on April 20, 2010.

68. During this period Mr Francisco was given the further opportunity to submit his own bid, but none was received.

II. CCAA FILING

A. Reason for CCAA Filing

69. Planet Organic and Darwen are insolvent and both have liabilities in excess of \$5 million.

70. The Applicants do not have the ability to repay the indebtedness owing to Catalyst and as a result, are insolvent and in jeopardy. As noted, Planet Organic has pursued restructuring activities and implemented comprehensive sales processes outside of formal proceedings. However, without the support of Mr. Francisco for an *en bloc* sale of the core assets, it is clear that the only way a successful business and financial restructuring can be achieved is through a formal court-supervised restructuring under the auspices of the CCAA.

B. Venue

71. The Commercial List in Toronto is the proper venue for this CCAA application. Planet Organic is a diverse company with assets and operations spread across Canada, including the Greater Toronto Area and Ontario (where it has both operations and creditors), and into the United States, via its US Holdco. Planet Organic's directors are located in both Canada and the United States and management generally meets via conference call.

72. Toronto has been the centre of Planet Organic's restructuring activities since 2009 for a variety of reasons, including the fact that Planet Organic's restructuring counsel and advisors are located in Toronto, and TD and Ares' counsel and advisors were located in Toronto as well. In addition, Mr. Ron Francisco is also in the Greater Toronto Area, as is his counsel. And, Catalyst's advisors and counsel are also located in Toronto.

73. It is therefore appropriate and convenient for Planet Organic to file for CCAA protection in Toronto, and this will benefit Planet Organic's stakeholders as well. Catalyst supports Planet Organic's application under the CCAA in Toronto.

C. Proposed Monitor

74. Planet Organic proposes Deloitte & Touche Inc. ("Deloitte" or "Proposed Monitor") as monitor under the CCAA. I am advised that Deloitte has extensive experience in such proceedings and has consented to act. Attached hereto and marked as Exhibit "O" is a true copy of Deloitte's consent.

75. Planet Organic and Darwen with the assistance of the proposed monitor have developed a statement of projected consolidated cash flow for the period May 1, 2010 to July 24, 2010. Attached as Exhibit "P" is a copy of the consolidated projected cash flow.

D. Post-Filing Plan of Action

76. At this juncture, Planet Organic is of the view that the best solution for the enterprise and its employees, customers and creditors is to proceed to complete the negotiation of the terms of a credit bid with Catalyst. Planet Organic intends to finalize an agreement with Catalyst, which will preserve the business as a going concern and seek the Court's approval of the agreement in the very near future. If Planet Organic is unable to reach an agreement with Catalyst, it will return to court with other alternatives.

77. At this time, it does not appear that debtor-in-possession financing will be required.

78. Planet Organic is seeking an administrative charge of \$400,000 and an indemnification charge for its officers and directors of \$1.75 million.

79. The Board of Directors currently consists of Ian Newton, Brent Knudsen, and me. The current D&O insurance policy expires on June 15, 2010 and I understand that to extend the coverage would result in an 150% premium increase over the existing premium.

80. Said charges are not sought against the other secured creditors of Planet Organic, namely, the four (4) creditors with equipment security.

81. Planet Organic is required under section 132 of the *Alberta Business Corporations Act (ABCA)* to call an annual meeting of its shareholders no later than 15 months after the last preceding meeting. The Court may extend the time for the calling of the meeting if it is satisfied that it is in the best interests of the corporation. Planet Organic's last shareholder meeting was held on December 19, 2008 and one is currently scheduled for April 30, 2010. I am advised by Heighington that as a matter of corporate law, Planet Organic could further adjourn the meeting of shareholder to May 14, 2010.

82. At this juncture, a postponement of the time for the holding of the meeting is required, in my view, as holding the annual meeting of shareholders could impede the successful restructuring of the business if Mr. Francisco uses his status as majority shareholder to thwart current management's effort to sell the business to Catalyst. Mr. Francisco has indicated that he intends to replace the board with his nominees. This would constitute a change of control under the Ares Loan and Ares/PCG Loan, and would likely result in Catalyst moving to enforce its security, which in turn would destabilize and harm the enterprise. Catalyst has expressed to me its confidence in the current Board of Directors.

83. Financial and other information will continue to be available to Mr. Francisco and the public through court filings which will be easily accessible on the Proposed Monitor's website and all public filings required under securities laws will continue to be made.

84. I swear this affidavit in support of the application for the Initial Order and for no other or improper purpose.

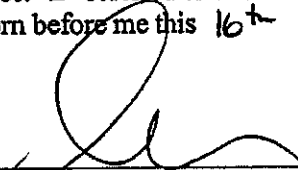
SWORN BEFORE ME at the)
City of Edmonton in the)
Province of Alberta)
this 29th day of April, 2010.)

Eugene J. Erlar)
Commissioner for Taking Affidavits (or as may be)

Darren Krissie

EUGENE J. ERLER
BARRISTER AND SOLICITOR
AND NOTARY PUBLIC

This is Exhibit "B" referred to in the Affidavit of Darren Krissie,
sworn before me this 16th day of June, 2010.



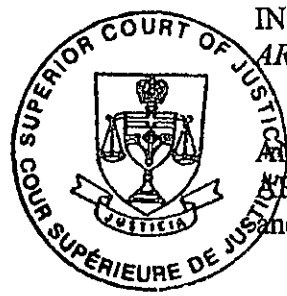
Commissioner for Taking Affidavits (or as may be)

MARIA DAVIDSON
BARRISTER & SOLICITOR
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Court File No. 10-8699-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.) THURSDAY, THE 29th
)
JUSTICE MORAWETZ) DAY OF APRIL, 2010



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 PLANET ORGANIC HEALTH CORP.
and DARWEN HOLDINGS LTD. (the "Applicants")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the notice of application, the affidavit of Darren Krissie sworn April 29, 2010 and the exhibits thereto, and the pre-filing report of Deloitte & Touche Inc., the proposed monitor, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, for the proposed monitor and for The Catalyst Capital Group Inc., on behalf of funds managed by it ("Catalyst"), and on reading the consent of Deloitte & Touche Inc. to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled to make use of a central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be

entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the outstanding and future fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears) or as otherwise agreed to between the Applicants and the relevant landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Sub-Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may

have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. THIS COURT ORDERS that until and including May 27, 2010, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants, Catalyst and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such

obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. THIS COURT ORDERS that each of the Applicants shall indemnify its directors and officers against obligations and liabilities (including, without limitation professional fees and disbursements incurred in connection with any such obligation or liability) that they may incur as directors or officers of such Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 32 and 34 herein.

22. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. THIS COURT ORDERS that Deloitte & Touche Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination to Catalyst and its counsel on a weekly basis of financial and other information as agreed to between the Applicants and Catalyst which may be used in these proceedings;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by Catalyst, which information shall be reviewed with the Monitor and delivered to Catalyst and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by Catalyst;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

- (i) perform such other duties as are required by this Order or by this Court from time to time.

25. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicants, including Catalyst, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis and, in addition, the retainers paid by the Applicants to the Monitor, counsel to the Monitor, and counsel to the Applicants which are to be held by them as security for payment of their respective fees and disbursements outstanding from time to time, are hereby authorized and approved.

30. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 32 and 34 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

32. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$400,000); and

Second – Directors' Charge (to the maximum amount of \$750,000).

33. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge or the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (each as constituted and defined herein) shall constitute a charge on the Property, except against the collateral encumbered by the security interests of those parties listed in the attached Schedule "A", and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

35. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

36. THIS COURT ORDERS that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") 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(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* of Canada (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 provisions of any federal or provincial statutes; or (e) 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 the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Charges, does not and will not constitute a preference, fraudulent conveyance, transfer at undervalue, oppressive conduct, or other challengeable or voidable transaction under any applicable law.

37. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

38. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in Globe and Mail, National Post, the Toronto Star, Calgary Herald and Edmonton Journal a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any Applicant of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Paragraph 23(1)(a) of the CCAA and the regulations made thereunder.

39. THIS COURT ORDERS that the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

40. THIS COURT ORDERS that the Applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.deloitte.com/ca/planet-organic.

GENERAL

41. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

42. 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 Applicants, the Monitor and their respective 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

43. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

44. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

45. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



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

APR 30 2010

PER / PAR: TV

Schedule "A"

- 1) Koch Ford Lincoln Sales (2003) Ltd.
- 2) Xerox Canada Ltd.
- 3) National Leasing Group Inc.
- 4) Halton Autolease Inc.
- 5) IBM Canada Limited
- 6) De Lage Landen Financial Services Canada

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
PLANET ORGANIC HEALTH CORP. AND DARWEN HOLDINGS LTD.

Court File No: 10-8699-00CL

APPLICANTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

INITIAL ORDER

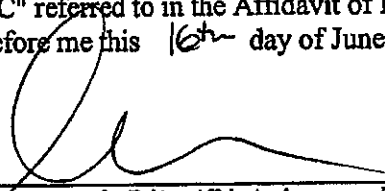
BAKER & MCKENZIE LLP
Barristers and Solicitors
181 Bay Street, P.O. Box 874
Suite 2100
Toronto, Ontario
M5J 2T3

Frank Spizzirri (LSUC#: 37327F)
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Tel.: 416.865.6940

Michael Nowina (LSUC#: 496330)
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Fax: 416.863.6275

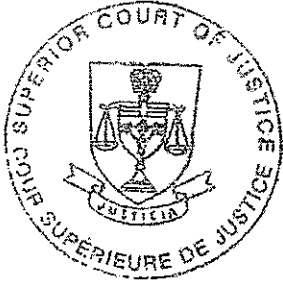
Lawyers for the Applicants

This is Exhibit "C" referred to in the Affidavit of Darren Krissie,
sworn before me this 16th day of June, 2010.



Commissioner for Taking Affidavits (or as may be)

MARIA DAVIDSON
BARRISTER & SOLICITOR
GOODMANS
1900 - 355 BURRARD STREET
VANCOUVER, B.C. V6C 2G8
TELEPHONE: 604-682-7737



Court File No. 10-8699-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.)	FRIDAY, THE 4 th
)	
JUSTICE MORAWETZ)	DAY OF JUNE, 2010

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 PLANET ORGANIC HEALTH CORP. AND DARWEN
HOLDINGS LTD.

APPLICANTS

APPROVAL AND VESTING ORDER

THIS MOTION, made by Planet Organic Health Corp. and Darwen Holdings Ltd., (collectively, the "Applicants") for an order approving the acquisition (the "Acquisition") contemplated by an acquisition agreement among the Applicants and the Creditor (as that term is defined in the Acquisition Agreement) made as of May 19, 2010 and appended to the Affidavit of Darren Krissie sworn May 20, 2010 and as amended pursuant to the First Amendment to Acquisition Agreement dated June 1, 2010 and appended to the Affidavit of Darren Krissie sworn on June 3, 2010, together with such non-material amendments as may be consented to by the Monitor (defined below) (collectively, the "Acquisition Agreement"), and vesting in the Creditor all right, title and interest in and to the assets described in the Acquisition Agreement (the "Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the material filed, including the Motion Record of the Applicants, the Third Report of the court-appointed monitor, Deloitte & Touche Inc. (the "Monitor"), the Responding Motion Record of 8000 Bathurst Street Realty Inc. and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Creditor, counsel for 8000

Bathurst Street Realty Inc., and such other counsel as were present, and on being advised that the Service List was served with the Motion Record herein:

1. THIS COURT ORDERS that, if necessary, the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that capitalized terms used herein that are not otherwise defined shall have the meanings set out in the Acquisition Agreement.

Approval and Vesting

3. THIS COURT ORDERS AND DECLARES that the Acquisition including, without limitation, the payment and acquisition contemplated in section 2.1 of the Acquisition Agreement is hereby approved, and that the Acquisition Agreement is in the best interests of the Applicants and their stakeholders. The execution of the Acquisition Agreement by the Applicants is hereby authorized and approved, and the Applicants 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, or to further evidence or document, the Acquisition and for the conveyance of the Assets to the Creditor.

4. THIS COURT ORDERS that, upon satisfaction (or, where applicable, waiver) of the conditions set out in Article 6 of the Acquisition Agreement, the Monitor shall file with this Court a certificate substantially in the form attached as Schedule A hereto stating that all conditions precedent set out in Article 6 of the Acquisition Agreement have been satisfied (or, where applicable, waived by the Applicants or the Creditor in accordance with the terms of the Acquisition Agreement) (the "Monitor's Certificate"). For the purposes of the preparation of the Monitor's Certificate, the Monitor shall be entitled to rely upon information provided by the Applicants with respect to the satisfaction or waiver of the conditions set out in Article 6 of the Acquisition Agreement.

5. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's Certificate to the Creditor, all right, title and interest in and to the Assets described in the Acquisition Agreement shall vest absolutely in the Creditor, 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"), whether such Claims came into existence prior to, subsequent to, or as a result of any previous orders of this Court, contractually, by operation of law or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Mr. Justice Morawetz dated April 29, 2010; and (ii) all charges, security interests or claims evidenced by registrations including without limitation pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (Alberta), *Personal Property Security Act* (British Columbia), *Personal Property Security Act* (Nova Scotia), *Personal Property Security Act* (Saskatchewan) 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 Assets shall, upon the delivery of the Monitor's Certificate to the Creditor, be and are hereby expunged and discharged as against the Assets.

6. THIS COURT ORDERS that, subject to and in accordance with the restrictions in section 11.3 of the *Companies' Creditors Arrangement Act* (Canada) ("CCAA"), the Applicants are authorized and directed to assign the contracts, leases, agreements and other arrangements of which the Creditor takes an assignment on closing pursuant to and in accordance with the terms of the Acquisition Agreement (the "Contracts") and that such assignments are hereby approved and are valid and binding upon the counterparties notwithstanding any restriction or prohibition on assignment contained in any such Contracts.

7. THIS COURT ORDERS that from and after the Closing Date, subject to the CCAA, all Persons shall be deemed to have waived all defaults then existing or previously committed by the Applicants under, or caused by the Applicants under, and the non-compliance by the Applicants with, any of the Contracts arising solely by reason of the insolvency of the Applicants or as a result of any actions taken pursuant to the Acquisition Agreement or in these proceedings, and all notices of default and demands given in connection with any such defaults under, or non-compliance with, the Contracts shall be deemed to have been rescinded and shall be of no further force or effect.

8. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* ("PIPEDA"), and pursuant to any other similar provincial legislation, the Applicants are authorized and permitted to disclose and transfer to the Creditor all human resources and payroll information in the Applicants' records pertaining to the Applicants' past and current employees. The Creditor 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 in compliance with PIPEDA and other similar provincial legislation.

Cash Reserve

9. THIS COURT ORDERS that the Monitor shall establish a cash reserve in the amount of \$2,031,281, as required under the Acquisition Agreement, on the Closing Date, using funds from the Cash and Cash Equivalents (the "Cash Reserve"), which Cash Reserve shall be held by the Monitor in a segregated account ("Cash Reserve Account") in trust for the benefit of Persons entitled to be paid the Cash Reserve Costs and the Creditor for the purpose of paying the Cash Reserve Costs in accordance with this Order.

10. THIS COURT ORDERS that the Cash Reserve Costs shall consist of the following obligations of the Applicants outstanding on the Closing Date:

- (a) obligations secured by the Administration Charge to the extent required for the completion of the CCAA Proceeding in an amount not to exceed \$300,000;
- (b) obligations secured by the Directors' Charge including, legal fees and costs incurred by the directors and officers of the Applicants in connection with the conduct of the directors' and officers' claims process contemplated by the D&O Claims Procedure Order, that arose prior to the Closing Date, in an aggregate amount not to exceed \$500,000;
- (c) claims under subsections 6(5)(a) of the CCAA to the extent not paid by the Applicants on or before the Closing Date or assumed by the Creditor on the Closing Date, which amounts are expected not to exceed \$75,000; and
- (d) the obligation of the Applicants to pay the PCG Transaction Fee as defined in the Acquisition Agreement;

11. THIS COURT ORDERS that, as soon as reasonably possible following and in any event within fifteen (15) days of, the Closing Date, or by such later date as may be ordered by the

Court, the Monitor shall quantify, based on the books and records of the Creditor, the precise amount of each of the Cash Reserve Costs under paragraph 10(c) hereof. For such purpose, the Monitor shall be given access to the books and records of the Applicants and shall be entitled to rely exclusively thereon and, in particular, shall not be responsible for any errors therein or the impact of such errors on the Monitor's quantification of any such Cash Reserve Cost. Upon being provided with the Monitor's quantification of each such Cash Reserve Cost, the Creditor shall have ten (10) days to decide whether to agree to the Monitor's quantification of such Cash Reserve Cost, failing which agreement the amount of any such Cash Reserve Cost still in dispute shall be determined, on application of the Monitor, on notice to the Creditor, any affected directors and officers of the Applicants and any affected beneficiary of the Administration Charge, by Order of the Court. Once the amount of any such Cash Reserve Cost has either been agreed to or determined by the Court, as set forth above, the Monitor shall pay such claim from the Cash Reserve Account.

12. THIS COURT FURTHER ORDERS that, from time to time after the Closing Date, the Monitor shall reduce the amount of the Cash Reserve as and to the extent that the Monitor, the Creditor, any affected directors and officers of the Applicants and any affected beneficiary of the Administration Charge agree, or a Court determines, that it, or portions of it, are no longer required to satisfy Cash Reserve Costs by distributing to the Creditor the amount of such reductions. All right, title and interest in and to any amounts in the Cash Reserve Account that are not used to pay Cash Reserve Costs in accordance with this Order shall vest absolutely in the Creditor as at the Closing Date and shall be distributed to the Creditor in accordance with this paragraph.

13. THIS COURT FURTHER ORDERS that nothing in this Order shall affect the rights of counsel to the Applicants, the Monitor and counsel to the Monitor to use and apply the retainers received by them from the Applicants.

General

14. 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 any of the Applicants and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Applicants;

the vesting of the Assets in the Creditor and the payment of any amounts contemplated by the Acquisition Agreement pursuant to this Order including, without limitation, the payment and acquisition contemplated in section 2.1(1) of the Acquisition Agreement, shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Applicants and shall not be void or voidable by creditors of the applicable Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance or other transfer at undervalue 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.

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

16. THIS COURT ORDERS that the Exhibit "A" to the Affidavit of Tripp Baird sworn May 20, 2010 shall be segregated from other documents filed in connection with this motion and shall be sealed until the filing with the Court of the Monitor's Certificate in relation to the Acquisition or upon further Order of the Court.

17. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to permanently or temporarily cease, downsize or shut down any of its business or operations in accordance with Acquisition Agreement.

18. 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 Applicants and their 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 Applicants, as may be

necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

19. THIS COURT ORDERS AND DECLARES that the actions and conduct of the Monitor in the CCAA proceedings from April 29, 2010 to the date of the Third Report, as more particularly set out in the First, Second and Third Reports, and the First, Second and Third Reports, be and are hereby approved and that the Monitor has satisfied all of its obligations from April 29, 2010 up to and including the date of the Third Report.



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

JUN 04 2010

PER / PAR: DSN

Schedule A – Form of Monitor’s Certificate

Court File No. 10-8699-00CL

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 PLANET ORGANIC HEALTH CORP. AND DARWEN
HOLDINGS LTD.

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (the "Court") dated April 29, 2010, Deloitte & Touche Inc. was appointed as the monitor of the Applicants (the "Monitor").

B. Pursuant to an Order of the Court dated June 4, 2010, the Court approved the acquisition agreement among Planet Organic Health Corp. and Darwen Holdings Ltd. (collectively, the "Applicants") and 7562578 Canada Inc. (the "Creditor") made as of May 19, 2010 and as amended pursuant to the First Amendment to Acquisition Agreement dated June 1, 2010, together with such non-material amendments as may be consented to by the Monitor (collectively, the "Acquisition Agreement") and provided for the vesting in the Creditor of all right, title and interest in and to the Assets, which vesting is to be effective with respect to the Assets upon the delivery by the Monitor to the Creditor of a certificate with this Court confirming that (i) the conditions to Closing as set out in Article 6 of the Acquisition Agreement have been satisfied or waived by the Applicants and the Creditor, (ii) the Applicants have been released from the guarantee agreement dated as of July 3, 2007 (the "Guarantee") in respect of

the amended and restated term loan agreement dated as of November 30, 2007 (as amended) (the "Term B Credit Agreement"), and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Acquisition Agreement.

THE MONITOR CERTIFIES the following:

1. The conditions to Closing as set out in Article 6 of the Acquisition Agreement have been satisfied or waived by the Applicants and the Creditor.
2. The Applicants have been released from the Guarantee in respect of the Term B Credit Agreement.
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at ● [TIME] on ● [DATE].

Deloitte & Touche Inc., in its capacity as Monitor of the Applicants, and not in its personal capacity

Per: _____

Name:

Title:

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c.C-36, AS AMENDED
AND IN THE MATTER OF PLANET ORGANIC HEALTH CORP. and DARWEN
HOLDINGS LTD.**

Court File No. 10-8699-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

MONITOR'S CERTIFICATE

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Brian Empey (LSUC#: 30640G)
Tel: 416.597.4194
Email: bempey@goodmans.ca

Brendan O'Neill (LSUC#: 43331J)
Tel: 416.849.6017
Email: boneill@goodmans.ca
Fax: 416.979.1234

Lawyers for the Monitor

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c.C-36, AS AMENDED
AND IN THE MATTER OF PLANET ORGANIC HEALTH CORP. and DARWEN
HOLDINGS LTD.**

Court File No. 10-8699-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

BAKER & MCKENZIE LLP
Barristers & Solicitors
Brookfield Place
181 Bay Street, Suite 2100
P.O.Box 874
Toronto, Ontario M5J 2T3

Frank Spizzirri (LSUC#: 37327F)
Tel.: 416.865.6940
Email: frank.spizzirri@bakermckenzie.com

Michael Nowina (LSUC#: 49633O)
Tel.: 416.865.2312
Email: michael.nowina@bakermckenzie.com
Fax: 416.863.6275

Lawyers for the Applicants

71

This is Exhibit "D" referred to in the Affidavit of Darren Krissie,
sworn before me this 16th day of June, 2010.



Commissioner for Taking Affidavits (or as may be)

MARIA DAVIDSON
BARRISTER & SOLICITOR
GOODMANS
1900 - 355 BURRARD STREET
VANCOUVER, B.C. V6C 2G8
TELEPHONE: 604-682-7737

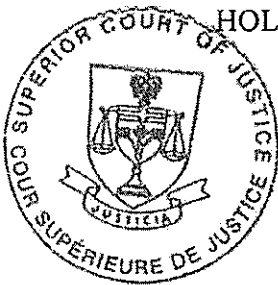
**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.)
JUSTICE MORAWETZ)
FRIDAY, THE 4th
DAY OF JUNE, 2010

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 PLANET ORGANIC HEALTH CORP. AND DARWEN
HOLDINGS LTD.

APPLICANTS



**DIRECTORS' AND OFFICERS'
CLAIMS PROCEDURE ORDER**

THIS MOTION, made by Planet Organic Health Corp. and Darwen Holdings Ltd. (the "Applicants"), for an Order substantially in the form included in the Applicants' Motion Record was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the material filed, including the Motion Record of the Applicants, the Third Report of the court-appointed monitor, Deloitte & Touche Inc. (the "Monitor"), the Responding Motion Record of 8000 Bathurst Street Realty Inc. and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for The Catalyst Capital Group Inc., on behalf of funds managed by it, counsel for 8000 Bathurst Street Realty Inc., and such other counsel as were present, and on being advised that the Service List was served with the Motion Record herein:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record filed by the Applicants in support of this Motion be and it is hereby abridged such that the Motion is properly returnable today and hereby dispenses with further service thereof.

MONITOR'S ROLE

2. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA (as hereinafter defined) and under the Initial Order of this Court dated April 29, 2010 (such Order, as supplemented, amended or varied from time to time, is referred to herein as the "Initial Order"), is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order, and that in taking such other actions and in fulfilling such other roles, the Monitor shall have the protections given to it in the Initial Order and this Order, including without limitation the protections provided in paragraph 21 of this Order.

DEFINITIONS

3. THIS COURT ORDERS AND DECLARES that capitalized terms used herein that are not otherwise defined shall have the meanings set out in the Acquisition Agreement and that the following terms shall have the following meanings ascribed thereto:
 - (a) "Business Day" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
 - (b) "CCAA" means *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

- (c) "Catalyst" means The Catalyst Capital Group Inc., on behalf of funds managed by it;
- (d) "Claims Bar Date" means 4:00 p.m. (Eastern Daylight Time) on the later of (i) June 21, 2010, (ii) 21 days after the Closing Date, or (iii) such later date as may be ordered by the Court;
- (e) "Closing Date" means the date on which the conditions specified in Article 6 of the Acquisition Agreement have been satisfied or waived and the Monitor delivers the Monitor's Certificate contemplated by the Approval and Vesting Order, provided that in no event shall such date be later than June 7, 2010 (subject to the extension provisions set out in the Acquisition Agreement);
- (f) "Court" means the Ontario Superior Court of Justice (Commercial List);
- (g) "Creditor" means any Person having a Director/Officer Claim;
- (h) "Directors" means all former, current or future directors of either of the Applicants, including any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise a director or *de facto* director of either of the Applicants, and "Director" means any one of them;
- (i) "Director/Officer Claim" means any right of any Person against the Directors or Officers of the Applicants for obligations and liabilities which the Directors or Officers of the Applicants incur in their capacity as Directors or Officers of the Applicants from and after the Filing Date to and including the Closing Date;

- (j) **“Dispute Notice”** means a written notice to the Monitor, in substantially the form attached as Schedule “E” hereto, delivered to the Monitor by a Creditor who has received a Notice of Disallowance, of its intention to dispute such Notice of Disallowance and provide further evidence to support its claim;
- (k) **“Filing Date”** means April 29, 2010;
- (l) **“Initial Order”** has the meaning ascribed to that term in paragraph 2 of this Order;
- (m) **“Instruction Letter”** means the instruction letter to Creditors, in substantially the form attached as Schedule “B” hereto;
- (n) **“Monitor”** means Deloitte & Touche Inc. in its capacity as monitor pursuant to the Initial Order;
- (o) **“Notice of Disallowance”** means a notice, in substantially the form attached as Schedule “D” hereto, advising a Creditor that the Monitor has revised or rejected all or part of such Creditor's Director/Officer Claim set out in the Proof of Claim;
- (p) **“Notice for Publication”** means the notice to Creditors for publication in substantially the form attached as Schedule “A” hereto;
- (q) **“Officers”** means all current and former officers of the Applicants, and **“Officer”** means any one of them;
- (r) **“Person”** includes any individual, partnership, joint venture, trust, corporation, unlimited liability company, unincorporated organization, government body or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;

- (s) "Proof of Claim" means the form of Proof of Claim in substantially the form attached as Schedule "C" hereto;
- (t) "Proof of Claim Document Package" means a document package that includes a copy of the Instruction Letter, a Proof of Claim, and such other materials as the Monitor may consider appropriate or desirable;
- (u) "Proven Claim" has the meaning ascribed to that term in paragraph 4 of this Order;

DETERMINATION OF PROVEN CLAIM

- 4. THIS COURT ORDERS that the amount and status of every Director/Officer Claim of a Creditor as finally determined in accordance with the forms and procedures hereby authorized (a "Proven Claim"), including any determination as to the nature, amount, value, priority or validity of any Director/Officer Claim shall be final for all purposes.

NOTICE TO CREDITORS

- 5. THIS COURT ORDERS that:
 - (a) the Monitor shall no later than five (5) Business Days following the Closing Date, post a copy of the Proof of Claim Document Package on its website;
 - (b) the Monitor shall cause to be published, on two (2) separate days on or after the Closing Date, but no later than five (5) Business Days following the Closing Date, the Notice for Publication in The Globe and Mail, National Post, the Toronto Star, Calgary Herald and Edmonton Journal; and

(c) the Monitor shall, provided such request is received by the Monitor prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request therefore a copy of the Proof of Claim Document Package to any Person claiming to be a Creditor and requesting such material.

6. THIS COURT ORDERS that neither any Applicant nor the Monitor is under any obligation to give notice to or deal with any Person other than the Creditor holding a Director/Officer Claim, and without limitation shall have no obligation to give notice to or deal with any Person having a security interest in the Director/Officer Claim (including the holder of a security interest created by way of a pledge or a security interest created by way of an assignment of the Director/Officer Claim), and such Persons shall be bound by any notices given to the Creditor and any steps taken in respect of such Director/Officer Claim in accordance with this Order.

CREDITORS' DIRECTOR/OFFICER CLAIMS

7. THIS COURT ORDERS that Proofs of Claim shall be filed with the Monitor and that any Creditor that does not file a Proof of Claim as provided for herein such that such Proof of Claim is received by the Monitor on or before the Claims Bar Date (a) shall be and is hereby forever barred from making or enforcing any Director/Officer Claim against the Directors or Officers or any of them; and (b) shall not be entitled to any further notice in, and shall not be entitled to participate as a creditor in, these proceedings.

8. THIS COURT ORDERS that insurers of the Applicants or the Directors or Officers shall not be entitled to rely on the barring of Director/Officer Claims provided for in paragraph 7 of this Order.

PROOFS OF CLAIM

9. THIS COURT ORDERS that:

- (a) the Monitor may, where it is satisfied that a Director/Officer Claim has been adequately filed, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Claim; and
- (b) any Director/Officer Claims denominated in any currency other than Canadian dollars shall, for the purposes of this Order, be converted to, and constitute obligations in, Canadian dollars, such calculation to be effected by the Monitor using the Bank of Canada noon spot rate on the Closing Date.

REVIEW OF PROOFS OF CLAIM

10. THIS COURT ORDERS that the Monitor, in consultation with the applicable Director or Officer and Catalyst, shall review all Proofs of Claims that are filed on or before the Claims Bar Date and shall accept or disallow (in whole or in part) the amount and/or status of such Claims provided that where any of the Monitor, the applicable Director or Officer or Catalyst disputes all or a portion of a Director/Officer Claim asserted, then the disputed portion of such claim must be disallowed. At any time, the Monitor may request additional information from a Creditor with respect to a Director/Officer Claim, and may request that the Creditor file a revised Proof of Claim.
11. THIS COURT ORDERS that where a Director/Officer Claim has been accepted in writing by the Monitor, such Director/Officer Claim shall constitute such Creditor's Proven Claim for all purposes.

12. THIS COURT ORDERS that where a Director/Officer Claim is disallowed (in whole or in part) by the Monitor, the Monitor shall deliver to the Creditor a Notice of Disallowance.
13. THIS COURT ORDERS that where a Director/Officer Claim has been disallowed (in whole or in part), the disallowed Director/Officer Claim (or disallowed portion thereof) shall not be a Proven Claim unless the Creditor has disputed the disallowance and proven the disallowed Director/Officer Claim (or portion thereof) in accordance with paragraphs 14 to 18 of this Order.

DISPUTE NOTICE

14. THIS COURT ORDERS that any Creditor who intends to dispute a Notice of Disallowance shall file a Dispute Notice with the Monitor as soon as reasonably possible but in any event such that such Dispute Notice shall be received by the Monitor on or before 4:00 p.m. (Eastern Daylight Time) on the day that is fourteen (14) days after the Monitor sends the Notice of Disallowance in accordance with paragraph 23 of this Order. The filing of a Dispute Notice with the Monitor within the time limited therefor shall constitute an application to have the amount or status of such Director/Officer Claim determined as set out in paragraphs 14-18 hereof.
15. THIS COURT ORDERS that where a Creditor that receives a Notice of Disallowance fails to file a Dispute Notice with the Monitor within the time limited therefor, the amount and status of such Creditor's Director/Officer Claim shall be deemed to be as set out in the Notice of Disallowance and such amount and status, if any, shall constitute such Creditor's Proven Claim.

RESOLUTION OF DIRECTOR/OFFICER CLAIMS

16. THIS COURT ORDERS that as soon as practicable after the delivery of the Dispute Notice to the Monitor, the Creditor and the Monitor, in consultation with the applicable Director or Officer and Catalyst, shall attempt to resolve and settle the Creditor's Director/Officer Claim.
17. THIS COURT ORDERS that, in the event that the dispute between the Creditor and the Monitor is not settled within ten (10) days in a manner satisfactory to the Monitor in consultation with the applicable Director or Officer and Catalyst, the Monitor may bring a motion for advice and directions before the Court for determination of the disputed Director/Officer Claim ("Dispute Motion").
18. THIS COURT ORDERS that the Monitor, in consultation with the applicable Director or Officer and Catalyst, and the Creditor shall each use reasonable efforts to have the Dispute Motion, and any appeals therefrom, disposed of on an expedited basis with a view to having the Director/Officer Claim of the Creditor finally determined on a timely basis.

NOTICE OF TRANSFEREES

19. THIS COURT ORDERS that neither any Applicant, Director or Officer, Catalyst nor the Monitor shall be obligated to give notice to or to otherwise deal with a transferee or assignee of a Director/Officer Claim as the Creditor in respect thereof unless and until (i) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Monitor, and (ii) the Monitor shall have acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of

such Director/Officer Claim. Any such transferee or assignee of a Director/Officer Claim, and such Director/Officer Claim, shall be bound by any notices given or steps taken in respect of such Director/Officer Claim in accordance with this Order prior to the written acknowledgment by the Monitor of such transfer or assignment.

20. THIS COURT ORDERS that the transferee or assignee of any Director/Officer Claim (i) shall take the Director/Officer Claim subject to the rights and obligations of the transferor/assignor of the Director/Officer Claim, and subject to the rights of the Directors or the Officers against any such transferor or assignor, including any rights of set-off which the Directors or the Officers had against such transferor or assignor, and (ii) cannot use any transferred or assigned Director/Officer Claim to reduce any amount owing by the transferee or assignee to the Directors or the Officers, whether by way of set off, application, merger, consolidation or otherwise.

PROTECTIONS FOR MONITOR

21. THIS COURT ORDERS that (i) in carrying out the terms of this Order, the Monitor shall have all of the protections given to it by the CCAA and the Initial Order or as an officer of this Court, including the stay of proceedings in its favour, (ii) the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Order, except for its own wilful misconduct or gross negligence, (iii) the Monitor shall be entitled to rely on the books and records of the Applicants, and any information provided by the Applicants, the Directors or the Officers, all without independent investigation, and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

DIRECTIONS

22. THIS COURT ORDERS that the Monitor may, at any time, on notice to the Directors and Officers and Catalyst, and with such other notice as this Court may require, seek directions from the Court with respect to this Order and the Director/Officer Claims process set out herein, including the forms attached as Schedules hereto.

SERVICE AND NOTICE

23. THIS COURT ORDERS that the Monitor be at liberty to deliver the Proof of Claim Document Package, if requested, and any letters, notices or other documents to Creditors or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by mail, on the second Business Day after mailing. Notwithstanding anything to the contrary in this paragraph 23, Notices of Disallowance shall be sent only by registered mail or by courier.
24. THIS COURT ORDERS that any notice or other communication (including, without limitation, Proofs of Claim and Dispute Notices) to be given under this Order by a Creditor to the Monitor shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed to:

Deloitte & Touche Inc.
Court-appointed Monitor of Planet Organic Health Corp. and Darwen Holdings
Ltd.

- 12 -

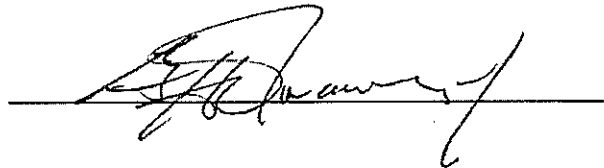
Address: 181 Bay Street, Suite 1400,
Toronto, Ontario, M5J 2V1

Attention: **Neil B. Jones, CA**
Telephone: 416.874.3142
E-mail: neiljones@deloitte.ca
Fax: 416.601.6690

Any such notice or other communication by a Creditor shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

MISCELLANEOUS

25. THIS COURT ORDERS AND REQUESTS the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to Section 17 of the CCAA) and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.



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

JUN 04 2010

PER / PAR: JSN

SCHEDULE "A"

**NOTICE OF DIRECTORS' AND OFFICERS' CLAIMS PROCEDURE
OF PLANET ORGANIC HEALTH CORP.**

(also known as Planet Organic Market)

and

DARWEN HOLDINGS LTD.

(also known as Sangsters Enterprises Ltd.)

(hereinafter referred to as the "Applicants")

**RE: NOTICE OF DIRECTORS' AND OFFICERS' CLAIMS PROCEDURE FOR THE
APPLICANTS PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT
(the "CCAA")**

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario made June ____, 2010 (the "Order"). Creditors may obtain the Order and a Proof of Claim package from the website of Deloitte & Touche Inc., Court-appointed monitor of the Applicants, at www.deloitte.com/ca/planet-organic, or by contacting the Monitor by telephone (☎) or by fax (☎).

Proofs of Claim must be submitted to the Monitor for any claims against the current or former directors or officers of the Applicants for obligations and liabilities which the current or former directors or officers of the Applicants incur in their capacity as directors or officers of the Applicants from and after April 29, 2010 to and including [Closing Date] ("Director/Officer Claims"). Please consult the Proof of Claim package for more details.

Completed Proofs of Claim must be received by the Monitor by 4:00 p.m. (Eastern Daylight Time) on [Claims Bar Date] (the "Claims Bar Date"). It is your responsibility to ensure that the Monitor receives your Proof of Claim by the above-noted time and date.

DIRECTOR/OFFICER CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

DATED at Toronto this _____ day of June, 2010.

Applicants

Planet Organic Health Corp. (also known as Planet Organic Market) and
Darwen Holdings Ltd. (also known as Sangsters Enterprises Ltd.)

SCHEDULE "B"

**INSTRUCTION LETTER FOR THE DIRECTORS' AND OFFICERS'
 CLAIMS PROCEDURE
 OF PLANET ORGANIC HEALTH CORP.
 (also known as Planet Organic Market)
 and
 DARWEN HOLDINGS LTD.
 (also known as Sangsters Enterprises Ltd.)
 (hereinafter referred to as the "Applicants")**

A. DIRECTORS' AND OFFICERS' CLAIMS PROCEDURE

By Order of the Superior Court of Justice of Ontario made June ____, 2010 under the *Companies' Creditors Arrangement Act* (the "CCAA"), the Applicants have been authorized to conduct a directors' and officers' claims procedure under the CCAA (the "Directors' and Officers' Claims Procedure").

The Directors' and Officers' Claims Procedure is intended for any Person with any claims against the current or former directors or officers of the Applicants for obligations and liabilities which the current or former directors or officers of the Applicants incur in their capacity as directors or officers of the Applicants from or after April 29, 2010 to and including **[Closing Date]**. Please review the enclosed material for the complete definition of Director/Officer Claim.

If you have any questions regarding the Directors' and Officers' Claims Procedure, please consult the website of the Court-appointed Monitor (www.deloitte.com/ca/planet-organic) or contact the Monitor at the address provided below.

All notices and enquiries with respect to the Directors' and Officers' Claims Procedure should be addressed to:

Deloitte & Touche Inc.
 Court-appointed Monitor of Planet Organic Health Corp. and Darwen Holdings Ltd.

Address: 181 Bay Street, Suite 1400,
 Toronto, Ontario, M5J 2V1

Attention: Neil B. Jones, CA
 Telephone: 416.874.3142
 E-mail: neiljones@deloitte.ca
 Fax: 416.601.6690

B. FOR CREDITORS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Director/Officer Claim against the current or former directors or officers of the Applicants, you will have to file a Proof of Claim with the Monitor. **The Proof of Claim must be received by 4:00 p.m. (Eastern Daylight Time) on [Claims Bar Date], the Claims Bar Date.**

Additional Proof of Claim forms and other information, including a copy of the Order creating the Directors' and Officers' Claims Procedure, can be obtained from the Monitor's website at "www.deloitte.com/ca/planet-organic", or by contacting the Monitor at the telephone and fax numbers indicated above and providing particulars as to your name, address and facsimile number.

It is your responsibility to ensure that the Monitor receives your Proof of Claim by the above-noted time and date.

SCHEDULE "C"

**PROOF OF CLAIM AGAINST THE CURRENT AND FORMER DIRECTORS
AND OFFICERS OF PLANET ORGANIC HEALTH CORP.**

(also known as Planet Organic Market)

and

DARWEN HOLDINGS LTD.

(also known as Sangsters Enterprises Ltd.)

(hereinafter referred to as the "Directors" and "Officers", as applicable)

Please carefully read the enclosed Instruction Letter for completing this Proof of Claim.

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____

(the "Creditor"). (Full legal name should be the name of the original Creditor of the Directors or Officers, notwithstanding whether an assignment of a Director/Officer Claim, or a portion thereof, has occurred following April 29, 2010 to and including [Closing Date].)

2. Full Mailing Address of the Creditor (the original Creditor not the Assignee):

3. Telephone Number: _____

4. E-Mail Address: _____

5. Facsimile Number: _____

6. Attention (Contact Person): _____

7. Has the Director/Officer Claim been sold or assigned by the Creditor to another party
[check (√) one]?

Yes: No:

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

8. Full Legal Name of Assignee(s):

(If the Director/Officer Claim has been assigned, insert full legal name of assignee(s) of the Director/Officer Claim (If all or a portion of the Director/Officer Claim has been sold). If there is more than one assignee, please attach a separate sheet with the required information.)

9. Full Mailing Address of Assignee(s):

10. Telephone Number of Assignee(s): _____

11. E-Mail Address: _____

12. Facsimile Number: _____

13. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, _____
[name of Creditor or Representative of the Creditor], of
_____ do hereby certify:
(city and province)

(a) that I [check (√) one]

am the Creditor of the Directors and/or Officers; OR

am _____ (state position or title) of

_____;

(name of creditor)

(b) that I have knowledge of all the circumstances connected with the Director/Officer Claim referred to below;

(c) the Creditor asserts its claim against [check (√) all applicable boxes]:

(i) Director(s) of Planet Organic Health Corp.

(ii) Director(s) of Darwen Holdings Ltd..

(iii) Officer(s) of Planet Organic Health Corp.

(iv) Officer(s) of Darwen Holdings Ltd.

(Please list the Director(s) and/or Officer(s) against whom you assert your claim); and

(d) The Director(s)/Officer(s) was/were and still is/are indebted to the Creditor as follows:

(i) TOTAL UNSECURED DIRECTOR/OFFICER CLAIM:

\$ _____ [insert \$ value of claim] CAD

(Director/Officer Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at [Closing Date]. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN\$●/US\$1.00.

D. PARTICULARS OF DIRECTOR/OFFICER CLAIM:

Other than as already set out herein, the particulars of the undersigned's total Director/Officer Claim are attached.

(Provide all particulars of the Director/Officer Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Director/Officer Claim, name of any guarantor which has guaranteed the Director/Officer Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed.)

This Proof of Claim must be received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on [Claims Bar Date], by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to the following address:

Deloitte & Touche Inc.
Court-appointed Monitor of Planet Organic Health Corp. and Darwen Holdings Ltd.

Address: 181 Bay Street, Suite 1400,
Toronto, Ontario, M5J 2V1

Attention: Neil B. Jones, CA
Telephone: 416.874.3142
E-mail: neiljones@deloitte.ca
Fax: 416.601.6690

E. FILING OF DIRECTOR/OFFICER CLAIM

Failure to file your proof of claim as directed by 4:00 p.m. (Eastern Daylight time), on [Claims Bar Date] will result in your claim being barred and in you being prevented from making or enforcing a Director/Officer Claim against any Director and/or any Officer. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a creditor in, these proceedings.

Dated at _____ this _____ day of _____, 2010.

Signature of Creditor

SCHEDULE "D"

REFERENCE NUMBER [●]

NOTICE OF DISALLOWANCE

TO: [insert name of creditor]

RE: In the matter of the Director/Officer Claim dated [DATE] filed by you against the Directors or Officers of Planet Organic Health Corp. or Darwen Holdings Ltd.

Deloitte & Touche Inc., in its capacity as Monitor, hereby gives you notice that it has reviewed your Director/Officer Claim and has revised or rejected your Director/Officer Claim as follows:

	The Proof of Claim as Submitted	The Director/Officer Claim as Accepted
A. Total Director/Officer Claim against the Directors or Officers		

A. Reasons for Disallowance or Revision:

[insert explanation]

If you do not agree with this Notice of Disallowance, please take notice of the following:

14. **If you dispute this Notice of Disallowance, you must, no later than 4:00 p.m. (Toronto time) on [INSERT DATE, being fourteen (14) days after the Notice of Disallowance is sent by the Monitor (see paragraph 14 of the Order)], notify the Monitor by delivery of a Dispute Notice in accordance with the accompanying Instruction Letter. The form of Dispute Notice is enclosed.**

15. **If you do not deliver a Dispute Notice, your Director/Officer Claim shall be deemed to be as set out in this Notice of Disallowance.**

**IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS
NOTICE OF DISALLOWANCE WILL BE BINDING UPON YOU.**

DATED at Toronto, this day of , 2010.

**DELOITTE & TOUCHE INC., COURT-APPOINTED MONITOR OF PLANET
ORGANIC HEALTH CORP. AND DARWEN HOLDINGS LTD.**

SCHEDULE "E"

DISPUTE NOTICE

RE: In the matter of the Director/Officer Claim dated _____ filed by _____ against the Directors or Officers of Planet Organic Health Corp. or Darwen Holdings Ltd.

We hereby give you notice of our intention to dispute the Notice of Disallowance bearing Reference Number _____ and dated _____ issued in respect of our Director/Officer Claim.

Name of Creditor _____

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

(Signature of individual completing this Dispute)

Date

(Please print name)

Telephone Number: () _____

E-mail Address: _____

Facsimile Number: () _____

Full Mailing Address

THIS FORM IS TO BE RETURNED BY PREPAID ORDINARY MAIL, COURIER, PERSONAL DELIVERY OR ELECTRONIC OR DIGITAL TRANSMISSION AND BE RECEIVED NO LATER THAN 4:00 P.M. (TORONTO TIME) ON [INSERT DATE] BEING FOURTEEN (14) DAYS AFTER THE MONITOR SENDS THE NOTICE OF

**DISALLOWANCE IN ACCORDANCE WITH THE DIRECTORS' AND OFFICERS'
CLAIMS PROCEDURE ORDER TO:**

**Deloitte & Touche Inc.
Court-appointed Monitor of Planet Organic Health Corp. and Darwen Holdings
Ltd.**

**Address: 181 Bay Street, Suite 1400,
Toronto, Ontario, M5J 2V1**

**Attention: Neil B. Jones, CA
Telephone: 416.874.3142
E-mail neiljones@deloitte.ca
Fax: 416.601.6690**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c.C-36, AS AMENDED
AND IN THE MATTER OF PLANET ORGANIC HEALTH CORP. and DARWEN
HOLDINGS LTD.**

Court File No. 10-8699-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

ORDER

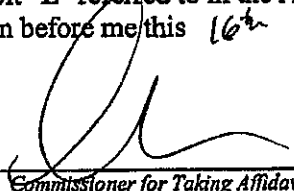
BAKER & MCKENZIE LLP
Barristers & Solicitors
Brookfield Place
181 Bay Street, Suite 2100
P.O.Box 874
Toronto, Ontario M5J 2T3

Frank Spizzirri (LSUC#: 37327F)
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Michael Nowina (LSUC#: 496330)
Tel.: 416.865.2312
Email: michael.nowina@bakermckenzie.com
Fax: 416.863.6275

Lawyers for the Applicants

This is Exhibit "E" referred to in the Affidavit of Darren Krissie,
sworn before me this 16th day of June, 2010.



Commissioner for Taking Affidavits (or as may be)

MARIA DAVIDSON
BARRISTER & SOLICITOR
GOODMANS
1900 - 355 BURRARD STREET
VANCOUVER, B.C. V6C 2G8
TELEPHONE: 604-682-7737

Planet Organic Health Corp.

13-Week Operating Cash Flow Forecast

Week #	1	2	3	4	5	6	7	8	9	10	11	12	13
Week ending	1-May-10	8-May-10	15-May-10	22-May-10	29-May-10	5-Jun-10	12-Jun-10	19-Jun-10	26-Jun-10	3-Jul-10	10-Jul-10	17-Jul-10	24-Jul-10

Forecast Opening Cash Balance	\$3,119,359	\$3,291,292	\$3,168,428	\$2,858,276	\$2,988,629	\$2,648,585	\$2,631,043	\$2,426,895	\$2,727,237	\$2,415,545	\$2,655,860	\$2,328,729	\$2,527,789
Cash Outflows													
Trade Payables	\$347,651	\$732,624	\$776,954	\$813,420	\$833,609	\$825,322	\$799,073	\$770,231	\$796,380	\$811,926	\$805,583	\$792,322	\$748,409
Operating Expenses	42,261	167,276	89,276	82,276	82,276	82,276	82,276	82,276	82,276	82,276	82,276	82,276	82,277
Payroll Expense	-	-	515,832	-	515,832	-	515,832	-	515,832	-	515,832	-	515,832
Rent Expense	-	298,875	-	-	-	298,875	-	-	-	298,875	-	-	-
Maintenance Capex	-	5,000	5,000	5,000	5,000	20,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Cash Outflows	\$389,912	\$1,253,775	\$1,387,062	\$900,697	\$1,436,717	\$1,226,473	\$1,402,181	\$857,507	\$1,401,488	\$1,198,078	\$1,408,691	\$879,599	\$1,351,519

Cash Inflows

Sales Forecast	\$561,846	\$1,298,911	\$1,256,910	\$1,211,050	\$1,256,673	\$1,277,932	\$1,267,032	\$1,246,850	\$1,178,795	\$1,177,393	\$1,170,560	\$1,167,659	\$1,149,385
Other Receipts	-	-	-	-	-	-	-	-	-	350,000	-	-	-
Total Cash Inflows	\$561,846	\$1,298,911	\$1,256,910	\$1,211,050	\$1,256,673	\$1,277,932	\$1,267,032	\$1,246,850	\$1,178,795	\$1,527,393	\$1,170,560	\$1,167,659	\$1,149,385
Net Weekly Cash Position	\$171,934	\$45,136	(\$130,152)	\$310,353	(\$180,044)	\$51,459	(\$135,149)	\$389,342	(\$222,693)	\$329,315	(\$238,131)	\$288,060	(\$202,134)
Restructuring Costs	-	(168,000)	(180,000)	(180,000)	(160,000)	(69,000)	(69,000)	(89,000)	(89,000)	(89,000)	(89,000)	(89,000)	(47,000)
Forecast Bank Balance	\$3,291,292	\$3,166,428	\$2,858,276	\$2,988,629	\$2,648,585	\$2,631,043	\$2,426,895	\$2,727,237	\$2,415,545	\$2,555,860	\$2,328,729	\$2,527,789	\$2,278,655

Assumptions

- General
 - This cash flow assumes only CCAA filing for Planet Organic Health Corp. and Darwen Holdings Ltd. and no formal US insolvency proceeding.
 - Opening cash assumes no clearing of outstanding cheques (ie. stay of payables at time of filing).
 - Week one includes three days April 29 to May 1 inclusive.
- Trade Payables / Inventory
 - Cost of sales are forecasted based on trailing 8-month average margins.
 - Unsecured creditors will be stayed on filing.
- Operating / Payroll / Rent Expenses
 - Store level operating expenses are based on historical averages.
 - Lease payments are based on current lease payment schedules and are assumed to be paid in the first week of each month.
- Maintenance Capex
 - Estimated capitalized expenses limited to address key operational or safety items.
- Sales Forecast
 - Weekly sales are forecasted based on trending average unit volumes (AUVs) at each store.
 - Weekly sales are forecasted based on comparable year-over-year sales growth to the corresponding week of the prior year.
 - AUVs compare year-to-date trends as well as 6-week trailing results in determining forecast.
- Other Receipts
 - Transfer of funds as partial settlement of intercompany receivable due from US Holdco.

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
PLANET ORGANIC HEALTH CORP. AND DARWEN HOLDINGS LTD.

Court File No: 10-8699-00CL

APPLICANTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**AFFIDAVIT OF DARREN KRISSIE
(Sworn on June 16, 2010)**

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Barristers and Solicitors
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Toronto, ON M5J 2T3

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Michael Nowina (LSUC#: 496330)
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Lawyers for the Applicants

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
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Court File No: 10-8699-00CL

APPLICANTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

MOTION RECORD
(returnable on June 17, 2010)

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