

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY and INSOLVENCY**

B E T W E E N :

ROYAL BANK OF CANADA

Plaintiff

- and -

**SLE-CO PLASTICS INC.
SLE-CO PROPERTIES INC., and 1142024 ONTARIO INC.**

Defendants

**MOTION RECORD
(Returnable November 13, 2020)**

October 30, 2020

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)
Tel: (416) 865-3085
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for the Receiver

INDEX

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY and INSOLVENCY**

B E T W E E N :

ROYAL BANK OF CANADA

Plaintiff

- and -

**SLE-CO PLASTICS INC.
SLE-CO PROPERTIES INC., and 1142024 ONTARIO INC.**

Defendants

TABLE OF CONTENTS

	<u>TAB NO.</u>
Notice of Motion	1
Draft Approval and Vesting Order	2
Draft Approval and Vesting Order blacklined to Model Approval and Vesting Order	3
Draft Ancillary Order	4
Second Report of the Receiver dated October 29, 2020	5
<u>Appendices</u>	
Appointment Order dated January 17, 2020	A
First Report of the Receiver dated June 1, 2020	B
Approval and Vesting Order dated June 15, 2020	C
Ancillary Order dated June 15, 2020	D
Endorsement of The Honourable Mr. Justice Grace dated June 15, 2020	E

Summary of 1142024 Ontario Inc. account with Libro Credit Union	F
Agreement of Purchase and Sale (redacted) between BDO Canada Limited, Court Appointed Receiver of Sle-Co Properties Inc. and 1803299 Ontario Inc.	G
Statement of Receipts and Disbursements for the period January 17, 2020 through September 30, 2020 (CAD and USD accounts)	H
Fee Affidavit of Stephen Cherniak for the interim account of BDO Canada Limited as Receiver sworn October 28, 2020	I
Fee Affidavit of Damian Lu for the interim account of Aird & Berlis LLP sworn October 28, 2020	J
Confidential Supplement to the Second Report of the Receiver dated October 29, 2020	6
Service List	7

TAB 1

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

B E T W E E N :

ROYAL BANK OF CANADA

Plaintiff

- and -

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC., and
1142024 ONTARIO INC.**

Defendants

**NOTICE OF MOTION
(returnable November 13, 2020)**

BDO Canada Limited (“**BDO**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties of Sle-Co Plastics Inc. (“**Plastics Inc.**”), Sle-Co Properties Inc. (“**Properties Inc.**”) and 1142024 Ontario Inc. (“**114 Inc.**” and, together with Plastics and Properties, the “**Debtors**”), including, without limitation, the real property known municipally as 400 South Edgeware Road in St. Thomas, Ontario (the “**Real Property**”), save and except for the Excluded Assets (as defined in the Receivership Order, as defined below) (collectively, the “**Property**”), will make a motion to a Judge of the Court on Friday, November 13, 2020 at 10:00 a.m., or as soon after that time as the motion can be heard, via teleconference coordinates to be provided to the service list.

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

THE MOTION IS FOR an Order, including, amongst other things:

- (a) if necessary, abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;

- (b) approving the actions of the Receiver described in section 4.14(a) of the First Report of the Receiver dated June 1, 2020 (the “**First Report**”);
- (c) approving the Second Report of the Receiver dated October 29, 2020 (the “**Second Report**”) and the actions of the Receiver described therein, including, without limitation, the statement of receipts and disbursements appended thereto;
- (d) approving the Confidential Supplement to the Second Report of the Receiver dated October 29, 2020 (the “**Second Confidential Supplement**”) and the actions of the Receiver described therein;
- (e) approving the agreement of purchase and sale between the Receiver, as vendor, and 1803299 Ontario Inc. (the “**Purchaser**”), as purchaser, dated June 29, 2020 (the “**Sale Agreement**”), and authorizing the Receiver to complete the transaction contemplated thereby (the “**Transaction**”);
- (f) vesting Properties Inc.’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”) in the Purchaser;
- (g) sealing the Second Confidential Supplement until closing of the Transaction or further Order of the Court;
- (h) directing Libro Credit Union (“**Libro**”) to provide the Receiver with particulars of the payee for Libro bank drafts #27875 and #27876 issued from an account maintained by 114 Inc. with Libro (the “**114 Libro Account**”) and of the account holders for certain accounts described in the Second Report (together with the 114 Libro Account, the “**Libro Requested Information**”);
- (i) approving the fees and disbursements of the Receiver and its counsel;
- (j) approving a distribution of \$439,712.11 to Rassaun Services Inc. (“**Rassaun**”) in full and final satisfaction of Rassaun’s claims against Plastics Inc. and Properties Inc.;

- (k) approving an interim distribution of \$5,000,000 to Royal Bank of Canada (“**RBC**”); and
- (l) such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) Plastics Inc. filed a notice of intention to make a proposal (the “**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), and BDO acted as the proposal trustee thereunder;
- (b) pursuant to an Order of the Court made on November 29, 2019, the deadline for Plastics Inc. to file a proposal under the BIA was extended to January 18, 2020;
- (c) one of the Debtors’ secured creditors, RBC, brought a motion returnable January 17, 2020, which sought to have BDO appointed as the Receiver;
- (d) RBC’s motion was supported by the affidavit of Greg Smith from RBC;
- (e) pursuant to an Order of The Honourable Mr. Justice McArthur of the Court made January 17, 2020 (the “**Receivership Order**”), BDO was appointed as the Receiver;
- (f) Plastics Inc. did not file a proposal within the requisite time and was automatically deemed bankrupt;
- (g) the Receiver has filed with the Court the Second Report and the Second Confidential Supplement, which, amongst other things, describe the steps taken by the Receiver since its prior reporting to the Court in the First Report;
- (h) the First Report and the Receiver’s actions therein were previously approved by the Court, subject to additional information being provided in respect of section 4.14(a) of the First Report, which additional information has been provided in the Second Report;

- (i) a sealing order is required because the Second Confidential Supplement contains certain commercially-sensitive information, the release of which would prejudice the Debtors' stakeholders if it were to be disclosed prior to the closing of the Transaction;
- (j) the Receiver recommends that the Court approve the Sale Agreement for the following reasons:
 - (i) the underlying sale process, which was previously approved by the Court, was fair and transparent;
 - (ii) the Sale Agreement represents the best offer available for the Property thereunder; and
 - (iii) the Receiver is advised by RBC, the Debtors' senior arm's-length secured creditor, that it supports the Transaction;
- (k) the Sale Agreement, which the Receiver has accepted (subject to approval by this Court), contemplates that the Receiver will complete the Transaction and that the Property described in the Sale Agreement will be vested in the Purchaser;
- (l) a condition of the Sale Agreement is that this Court provide a sale approval and vesting order in favour of the Purchaser;
- (m) pursuant to the Receivership Order, the Receiver was authorized to, amongst other things:
 - (i) market any or all of the Property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver, in its discretion, deems appropriate; and
 - (ii) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, including, without

limitation, with the approval of this Court in respect of any transaction of the Property exceeding a certain monetary threshold;

- (n) the Receivership Order requires Records (as defined therein) to be provided to the Receiver upon the Receiver's request, and Libro has requested that the Receiver obtain an order confirming the obligation to provide the Libro Requested Information to the Receiver;
- (o) the Receiver and its counsel, Aird & Berlis LLP, have accrued fees and expenses in their capacity as Receiver and counsel thereto, respectively, which fees and expenses require the approval of this Court pursuant to the Receivership Order;
- (p) the Receivership Order authorizes the Receiver to pass its accounts from time to time, and to include any necessary solicitor fees and disbursements in the passing of the accounts;
- (q) the Receiver's independent legal counsel has provided independent security opinions to the Receiver, confirming, in substance, that the security held by RBC against Properties Inc. and Plastics Inc. is valid and enforceable, subject to the usual assumptions and qualifications of opinions of such nature;
- (r) the Receiver understands that RBC and Rassaun (one of three construction lien claimants) have agreed to settle the priority dispute between them by Rassaun receiving \$439,712.11 in priority to RBC, in full and final satisfaction of Rassaun's claims against Plastics Inc. and Properties Inc.;
- (s) as set out in more detail in the Second Report, the proposed distribution to Rassaun and the proposed interim distribution to RBC would still result in sufficient funds remaining with the Receiver to satisfy any anticipated priority amounts owing to the other two registered construction lien claimants, Canada Revenue Agency and the Receiver and its counsel;

- (t) the other grounds set out in the Second Report and the Second Confidential Supplement;
- (u) section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (v) section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (w) rules 1.04, 2.03, 3.02, 30, 37 and 41.05 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (x) such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Second Report, inclusive of the fee affidavits filed on behalf of the Receiver and its counsel;
- (b) the Second Confidential Supplement; and
- (c) such further and other material as counsel may submit and this Court may permit.

Date: October 30, 2020

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)
Tel: (416) 865-3085
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for the Receiver

TO: ATTACHED SERVICE LIST

ROYAL BANK OF CANADA

-and-

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC. and
1142024 ONTARIO INC.**

Plaintiff

Defendants

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Proceedings commenced at London

**NOTICE OF MOTION
(returnable November 13, 2020)**

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)

Tel: (416) 865-3085

Fax: (416) 863-1515

Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)

Tel: (416) 865-7724

Fax: (416) 863-1515

Email: jnemers@airdberlis.com

Lawyers for the Receiver

TAB 2

Court File No. 35-2220175T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE)	FRIDAY, THE 13 TH DAY
)	
JUSTICE)	OF NOVEMBER, 2020

B E T W E E N :

ROYAL BANK OF CANADA

Plaintiff

- and -

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC., and
1142024 ONTARIO INC.**

Defendants

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of certain of the assets, undertakings and properties of Sle-Co Properties Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and 1803299 Ontario Inc. (the “**Purchaser**”), as purchaser, dated June 29, 2020 (the “**Sale Agreement**”), a redacted copy of which is attached to the Second Report of the Receiver dated October 29, 2020 (the “**Second Report**”) and an unredacted copy of which is attached to the Confidential Supplement to the Second Report dated October 29, 2020 (the

“**Confidential Supplement**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day via teleconference due to the Covid-19 crisis.

ON READING the Second Report and appendices thereto and the Confidential Supplement and the appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Eunice Baltkois sworn October 30, 2020, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “**Receiver's Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims,

whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of The Honourable Mr. Justice McArthur made January 17, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule "B"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the

sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, notwithstanding:

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this

Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, 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.

8. **THIS COURT ORDERS** that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure* (Ontario), this Order is effective from the date on which it is made, and is enforceable without any need for entry and filing; provided, however, that any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be.

Schedule “A” – Form of Receiver’s Certificate

Court File No. 35-2220175T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

B E T W E E N :

ROYAL BANK OF CANADA

Plaintiff

- and -

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC., and
1142024 ONTARIO INC.**

Defendants

RECEIVER’S CERTIFICATE

RECITALS

- I. Pursuant to an Order of The Honourable Mr. Justice McArthur of the Ontario Superior Court of Justice in Bankruptcy and Insolvency (the “**Court**”) dated January 17, 2020, BDO Canada Limited (“**BDO**”) was appointed as receiver (in such capacity, the “**Receiver**”), without security, of certain of the assets, undertakings and properties of Sle-Co Properties Inc. (the “**Debtor**”), acquired for, or used in relation to a business carried on by the Debtor, including the proceeds thereof (the “**Property**”).

- II. Pursuant to an Order of the Court dated November 13, 2020, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and 1803299 Ontario Inc. (the “**Purchaser**”), as purchaser, dated June 29, 2020 (the “**Sale Agreement**”), and provided for the

vesting in the Purchaser of the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

BDO CANADA LIMITED, solely in its capacity as the Court-appointed receiver of the Debtor, and not in its personal capacity or in any other capacity

Per: _____

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

PT LT 8 1ST RANGE SOUTH EDGEWARE ROAD YARMOUTH PT 1 & 2 11R6493; T/W
E230839, E230840, E230841; S/T E378042; ST. THOMAS

PIN 35163-0288(LT)

PCL 8-2 SEC YAR-SER; PT LT 8 RANGE SOUTH OF EDGEWARE RD YARMOUTH PT 2
11R153; S/T LT37577; ST. THOMAS

PIN 35163-0283(LT)

**SCHEDULE “C”
INSTRUMENTS TO BE DELETED FROM TITLE**

1. Instrument No. CT99965 being a Transfer registered December 23, 2013 from Pedro Trives to 2366608 Ontario Inc.
2. Instrument No. CT116408 being a Charge registered July 14, 2015 from 2366608 Ontario Inc. in favour of Royal Bank of Canada.
3. Instrument No. CT156622 being a Charge registered August 3, 2018 from 2366608 Ontario Inc. in favour of Royal Bank of Canada.
4. Instrument No. CT159358 being a Construction Lien registered October 11, 2018 in favour of Rassaun Services Inc.
5. Instrument No. CT161143 being a Certificate of Action registered November 28, 2018.
6. Instrument No. CT162222 being a Construction Lien registered December 28, 2018 in favour of Jay Okkerse Contracting Ltd.
7. Instrument No. CT163206 being a Certificate of Action registered January 28, 2019.
8. Instrument No. CT163713 being a Construction Lien registered February 11, 2019 in favour of North Shore Farming Company Limited.
9. Instrument No. CT164521 being a Certificate of Action registered March 5, 2019.
10. Instrument No. CT164930 being an Application to Change Name-Owner registered March 18, 2019.
11. Instrument No. CT164931 being a Charge registered March 18, 2019 from Sle-Co Properties Inc. in favour of Royal Bank of Canada.
12. Instrument No. CT177474 being an Application re Court Order registered January 17, 2020 appointing BDO Canada Limited as receiver.

SCHEDULE “D”
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

PIN 35163-0288(LT)

1. Instrument No. E127805 being a Bylaw registered July 12, 1968.
2. Instrument No. 11R1526 being a Reference Plan registered May 17, 1978.
3. Instrument No. 11R2043 being a Reference Plan registered March 31, 1980.
4. Instrument No 11R6401 being a Reference Plan registered October 17, 1996.
5. Instrument No. 11R6493 being a Reference Plan registered February 19, 1997.
6. Instrument No. E378042 being a Transfer Easement registered May 30, 1997 in favour of The Public Utilities Commission of the City of St. Thomas.

PIN 35163-0283(LT)

1. Instrument No 11R153 being a Reference Plan registered May 17, 1973.
2. Instrument No. 11R7355 being a Reference Plan registered July 12, 2000.
3. Instrument No. LT37577 being a Transfer Easement registered August 24, 2000 in favour of The Corporation of the City of St. Thomas.

ROYAL BANK OF CANADA

-and-

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC. and
1142024 ONTARIO INC.**

Plaintiff

Defendants

Court File No. 35-2220172T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Proceedings commenced at London

APPROVAL AND VESTING ORDER

AIRD & BERLIS LLP
 Barristers and Solicitors
 Brookfield Place
 181 Bay Street, Suite 1800
 Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)

Tel: (416) 865-3085

Fax: (416) 863-1515

Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)

Tel : (416) 865-7724

Fax : (416) 863-1515

Email : jnemers@airdberlis.com

Lawyers for the Receiver

TAB 3

Revised: January 21, 2014

Court File No. 35-2220175T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
COMMERCIAL LIST

THE HONOURABLE _____) _____ DAY, THE ____ DAY
JUSTICE _____) OF _____, 20__

THE HONOURABLE _____) FRIDAY, THE 13TH DAY
JUSTICE _____) OF NOVEMBER, 2020

B E T W E E N :

~~PLAINTIFF~~

ROYAL BANK OF CANADA

Plaintiff

- and -

SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC., and
1142024 ONTARIO INC.

~~DEFENDANT~~

Defendant

Defendants

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~ BDO Canada Limited, in its capacity as the Court-appointed receiver (in such capacity, the "Receiver"), without security, of certain of the ~~undertaking, property and~~ assets ~~of [DEBTOR]~~, undertakings and properties of Sle-Co Properties Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, for an order, *inter alia*, approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (~~the "Sale Agreement"~~) between the Receiver, as vendor, and ~~[NAME OF PURCHASER]~~ 1803299 Ontario Inc. (the "Purchaser"), as purchaser, dated ~~[DATE] and appended~~ June 29, 2020 (the "Sale Agreement"), a redacted copy of which is attached to the Second Report of the Receiver dated ~~[DATE]~~ October 29, 2020 (the "Second Report") and an unredacted copy of which is attached to the Confidential Supplement to the Second Report dated October 29, 2020 (the "Confidential Supplement"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ via teleconference due to the Covid-19 crisis.

ON READING the Second Report and appendices thereto and the Confidential Supplement and the appendices thereto, and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~ and such other counsel as were

present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~[NAME]~~ Eunice Baltkois sworn ~~[DATE]~~ October 30, 2020, filed¹.

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtor's⁴ right, title and interest in and to the Purchased Assets described in the Sale Agreement ~~[and listed on Schedule B hereto]~~⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured,

¹ ~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

² ~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³ ~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

⁴ ~~To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

unsecured or otherwise (collectively, the "**Claims**"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of ~~the~~The Honourable Mr. Justice [NAME] dated [DATE] McArthur made January 17, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver]~~appropriate Land Titles Division ~~of {LOCATION}~~ of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule "B"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

⁵~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

⁶~~Select the language appropriate to the land registry system (Registry vs. Land Titles).~~

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

~~6. THIS COURT ORDERS that, pursuant to clause 7(3)(e) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser 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 identical to the prior use of such information by the Debtor.~~

6. ~~7.~~ **THIS COURT ORDERS** that, notwithstanding:

~~(a)~~ (a) the pendency of these proceedings;

⁷~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

~~(b)~~ (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

~~(c)~~ (c) any assignment in bankruptcy made in respect of the Debtor~~;~~

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue~~;~~ or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

~~8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

7. ~~9.~~ **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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, 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.

8. **THIS COURT ORDERS** that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure* (Ontario), this Order is effective from the date on which it is made, and is enforceable without any need for entry and filing; provided, however, that any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be.

Revised: January 21, 2014

Schedule "A" Form of Receiver's Certificate

Court File No. 35-2220175T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
COMMERCIAL LIST

BETWEEN:

PLAINTIFF

ROYAL BANK OF CANADA

Plaintiff

- and -

SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC., and
1142024 ONTARIO INC.

DEFENDANT

Defendant

Defendants

RECEIVER'S CERTIFICATE

RECITALS

I A. Pursuant to an Order of the Honourable Mr. Justice McArthur of the Ontario Superior Court of Justice in Bankruptcy and Insolvency (the "Court") dated [DATE OF ORDER], [NAME OF RECEIVER] January 17, 2020, BDO Canada Limited ("BDO") was appointed as the receiver (in such capacity, the

~~"Receiver")~~, without security, of certain of the ~~undertaking, property and~~ assets of ~~[DEBTOR]~~, undertakings and properties of Sle-Co Properties Inc. (the "**Debtor**"), acquired for, or used in relation to a business carried on by the Debtor, including the proceeds thereof (the "Property").

II. B. Pursuant to an Order of the Court dated ~~[DATE]~~ November 13, 2020, the Court approved the agreement of purchase and sale ~~made as of [DATE OF AGREEMENT] (the "Sale Agreement")~~ between the Receiver ~~[Debtor]~~ and ~~[NAME OF PURCHASER]~~, as vendor, and 1803299 Ontario Inc. (the "**Purchaser**"), as purchaser, dated June 29, 2020 (the "Sale Agreement"), and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the ~~Purchase Price~~ purchase price for the Purchased Assets; (ii) that the conditions to ~~Closing~~ closing as set out in ~~section • of~~ the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. 1. The Purchaser has paid and the Receiver has received the ~~Purchase Price~~ purchase price for the Purchased Assets payable on the ~~Closing Date~~ closing date pursuant to the Sale Agreement;

2. ~~2.~~ The conditions to ~~Closing~~closing as set out in ~~section 1~~of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; ~~and~~

3. ~~3.~~ The Transaction has been completed to the satisfaction of the Receiver; and

4. ~~4.~~ This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

~~[NAME OF RECEIVER]~~BDO CANADA LIMITED, solely in its capacity as ~~Receiver of~~ the ~~undertaking, property and assets~~Court-appointed receiver of ~~[DEBTOR]~~the Debtor, and not in its personal capacity or in any other capacity

Per: _____
Name:
Title:

Revised: January 21, 2014

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

~~Schedule B—Purchased Assets~~

PT LT 8 1ST RANGE SOUTH EDGEWARE ROAD YARMOUTH PT 1 & 2 11R6493; T/W
E230839, E230840, E230841; S/T E378042; ST. THOMAS

PIN 35163-0288(LT)

PCL 8-2 SEC YAR-SER; PT LT 8 RANGE SOUTH OF EDGEWARE RD YARMOUTH PT 2
11R153; S/T LT37577; ST. THOMAS

PIN 35163-0283(LT)

DOCSTOR: 120192714

Revised: January 21, 2014

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM TITLE

~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

DOCSTOR: 120192714

**Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

24921184.1

1. Instrument No. CT99965 being a Transfer registered December 23, 2013 from Pedro Trives to 2366608 Ontario Inc.
2. Instrument No. CT116408 being a Charge registered July 14, 2015 from 2366608 Ontario Inc. in favour of Royal Bank of Canada.
3. Instrument No. CT156622 being a Charge registered August 3, 2018 from 2366608 Ontario Inc. in favour of Royal Bank of Canada.
4. Instrument No. CT159358 being a Construction Lien registered October 11, 2018 in favour of Rassaun Services Inc.
5. Instrument No. CT161143 being a Certificate of Action registered November 28, 2018.
6. Instrument No. CT162222 being a Construction Lien registered December 28, 2018 in favour of Jay Okkerse Contracting Ltd.
7. Instrument No. CT163206 being a Certificate of Action registered January 28, 2019.
8. Instrument No. CT163713 being a Construction Lien registered February 11, 2019 in favour of North Shore Farming Company Limited.
9. Instrument No. CT164521 being a Certificate of Action registered March 5, 2019.
10. Instrument No. CT164930 being an Application to Change Name-Owner registered March 18, 2019.
11. Instrument No. CT164931 being a Charge registered March 18, 2019 from Sle-Co Properties Inc. in favour of Royal Bank of Canada.
12. Instrument No. CT177474 being an Application re Court Order registered January 17, 2020 appointing BDO Canada Limited as receiver.

DOCSTOR: 1201927114

SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

PIN 35163-0288(LT)

1. Instrument No. E127805 being a Bylaw registered July 12, 1968.
2. Instrument No. 11R1526 being a Reference Plan registered May 17, 1978.
3. Instrument No. 11R2043 being a Reference Plan registered March 31, 1980.
4. Instrument No 11R6401 being a Reference Plan registered October 17, 1996.
5. Instrument No. 11R6493 being a Reference Plan registered February 19, 1997.
6. Instrument No. E378042 being a Transfer Easement registered May 30, 1997 in favour of The Public Utilities Commission of the City of St. Thomas.

PIN 35163-0283(LT)

1. Instrument No 11R153 being a Reference Plan registered May 17, 1973.
2. Instrument No. 11R7355 being a Reference Plan registered July 12, 2000.
3. Instrument No. LT37577 being a Transfer Easement registered August 24, 2000 in favour of The Corporation of the City of St. Thomas.

ROYAL BANK OF CANADA-and-SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC. and
1142024 ONTARIO INC.PlaintiffDefendantsCourt File No. 35-2220172T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Proceedings commenced at London

APPROVAL AND VESTING ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)

Tel: (416) 865-3085

Fax: (416) 863-1515

Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)

Tel: (416) 865-7724

Fax: (416) 863-1515

Email: jnemers@airdberlis.com

Lawyers for the Receiver

Document comparison by Workshare 10.0 on October 29, 2020 5:15:27 PM

Input:	
Document 1 ID	iManage://AB-WS1/CM/41517945/1
Description	#41517945v1<CM> - Model Approval and Vesting Order (amended January 21/14)
Document 2 ID	iManage://AB-WS1/CM/41518068/3
Description	#41518068v3<CM> - Tab 2 - AVO (Sle-Co Real Property)
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:

	Count
Insertions	188
Deletions	128
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	316

TAB 4

Court File No. 35-2220175T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE)	FRIDAY, THE 13 TH DAY
)	
JUSTICE)	OF NOVEMBER, 2020

B E T W E E N :

ROYAL BANK OF CANADA

Plaintiff

- and -

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC., and
1142024 ONTARIO INC.**

Defendants

ANCILLARY ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of certain of the assets, undertakings and properties of Sle-Co Plastics Inc. (“**Plastics Inc.**”), Sle-Co Properties Inc. (“**Properties Inc.**”) and 1142024 Ontario Inc. (“**114 Inc.**” and, together with Plastics Inc. and Properties Inc., the “**Debtors**”), acquired for, or used in relation to a business carried on by the Debtors, for an order, *inter alia*: (i) approving the actions of the Receiver described in section 4.14(a) of the First Report of the Receiver dated June 1, 2020 (the “**First Report**”); (ii) approving the Second Report of the Receiver dated October 29, 2020 (the “**Second Report**”) and the actions of the Receiver described therein, including, without limitation, the statement of

receipts and disbursements appended thereto; (iii) approving the Confidential Supplement to the Second Report of the Receiver dated October 29, 2020 (the “**Second Confidential Supplement**”) and the actions of the Receiver described therein; (iv) sealing the Second Confidential Supplement until closing of the 400 South Edgeware Transaction (as defined in the Second Report) or further Order of the Court; (v) requiring Libro (as defined below) to produce certain materials to the Receiver; (vi) approving the fees and disbursements of the Receiver and its counsel; (vii) approving a distribution to Rassaun Services Inc. (“**Rassaun**”) in full and final satisfaction of Rassaun’s claims against Plastics Inc. and Properties Inc.; and (ix) approving an interim distribution to Royal Bank of Canada (“**RBC**”), was heard this day via teleconference due to the Covid-19 crisis.

ON READING the Second Report and appendices thereto (including, without limitation, the affidavits of Stephen N. Cherniak sworn October 28, 2020 and Damian Lu sworn October 28, 2020 (the “**Fee Affidavits**”)) and the Second Confidential Supplement and the appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Eunice Baltkois sworn October 30, 2020, filed,

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Receiver’s activities described in section 4.14(a) of the First Report be and are hereby approved.

3. **THIS COURT ORDERS** that the Second Report and the activities of the Receiver described therein be and are hereby approved, including, without limitation, the statement of receipts and disbursements appended thereto.
4. **THIS COURT ORDERS** that the Second Confidential Supplement and the activities of the Receiver described therein be and are hereby approved.
5. **THIS COURT ORDERS** that the Second Confidential Supplement be and is hereby sealed until closing of the 400 South Edgeware Transaction or further Order of the Court.
6. **THIS COURT ORDERS** that Libro Credit Union (“**Libro**”) be and is hereby required to provide the Receiver with particulars of: (i) the payee for Libro bank drafts #27875 and #27876 issued from an account maintained by 114 Inc. with Libro; and (ii) the account holder for each of Libro accounts #93286 and #3825551.
7. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as set out in the Fee Affidavits, be and are hereby approved.
8. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed, without further Order of this Court, to distribute \$439,712.11 to Rassaun in full and final satisfaction of Rassaun’s claims against Plastics Inc. and Properties Inc.
9. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed, without further Order of this Court, to distribute \$5,000,000 to RBC on partial account of the secured indebtedness owing by Plastics Inc. and Properties Inc. to RBC for principal, interest and costs.

10. **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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, 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.

11. **THIS COURT ORDERS** that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure* (Ontario), this Order is effective from the date on which it is made, and is enforceable without any need for entry and filing; provided, however, that any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be.

ROYAL BANK OF CANADA

-and-

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC. and
1142024 ONTARIO INC.**

Plaintiff

Defendants

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Proceedings commenced at London

ANCILLARY ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)

Tel: (416) 865-3085

Fax: (416) 863-1515

Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)

Tel: (416) 865-7724

Fax: (416) 863-1515

Email: jnemers@airdberlis.com

Lawyers for the Receiver

TAB 5

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY and INSOLVENCY**

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

**SLE-CO PLASTICS INC.
SLE-CO PROPERTIES INC, and 1142024 ONTARIO INC.**

Defendants

**SECOND REPORT TO THE COURT SUBMITTED BY BDO CANADA LIMITED,
IN ITS CAPACITY AS RECEIVER OF
SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC.
AND 1142024 ONTARIO INC.**

October 29, 2020

Table of Contents

1. Introduction and Background.....	1
2. Terms of Reference.....	4
3. Purpose of the Receiver’s Second Report.....	5
4. Receiver’s Activities.....	7
5. Review of potential reviewable transactions.....	16
6. Receiver’s Sale of 400 South Edgeware Road, St. Thomas.....	18
7. Statement of Receipts and Disbursements of the Receiver.....	20
8. Fees and Disbursements of the Receiver and Counsel to the Receiver.....	24
9. Distribution.....	26
10. Recommendations.....	29

Appendices

- Appendix A** - Appointment Order dated January 17, 2020
- Appendix B** - First Report of the Receiver dated June 1, 2020 (without appendices)
- Appendix C** - Approval and Vesting Order dated June 15, 2020
- Appendix D** - Ancillary Order dated June 15, 2020
- Appendix E** - Endorsement of The Honourable Mr. Justice Grace dated June 15, 2020
- Appendix F** - Summary of 1142024 Ontario Inc. account with Libro Credit Union
- Appendix G** - Agreement of Purchase and Sale (redacted) between BDO Canada Limited, Court Appointed Receiver of Sle-Co Properties Inc. and 1803299 Ontario Inc.
- Appendix H** - Statement of Receipts and Disbursements for the period January 17, 2020 through September 30, 2020 (CAD and USD accounts)
- Appendix I** - Fee Affidavit of Stephen Cherniak for the interim account of BDO Canada Limited as Receiver sworn October 28, 2020
- Appendix J** - Fee Affidavit of Damian Lu for the interim account of Aird & Berlis LLP sworn October 28, 2020

1. Introduction and Background

1.1 Introduction

- 1.1.1 This report (this “**Second Report**”) is submitted by BDO Canada Limited (“**BDO**”), in its capacity as Court-appointed receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Sle-Co Plastics Inc. (“**Plastics Inc.**” or the “**Company**”), Sle-Co Properties Inc. (“**Properties Inc.**” and, together with Plastics, “**Sle-Co**”) and 1142024 Ontario Inc. (“**114 Inc.**” and, together with Sle-Co, the “**Companies**”), including the real property municipally known as 400 South Edgeware Road, St. Thomas, Ontario (the “**Real Property**”), but excluding certain machinery assets leased from HSBC Bank Canada (“**HSBC**”) (the “**Excluded Assets**”).
- 1.1.2 Upon application by Royal Bank of Canada (“**RBC**”), BDO was appointed as the Receiver by the Order of The Honourable Mr. Justice McArthur of the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the “**Court**”) dated January 17, 2020 (the “**Appointment Order**”). A copy of the Appointment Order is attached as **Appendix A** to this Second Report.

1.2 Background

- 1.2.1 Prior to its bankruptcy (described below), Plastics Inc. was a Tier 2 automotive parts supplier serving original equipment manufacturers for both interior and exterior injection moulded plastic parts, and also produced certain injection moulded and assembled consumer products. Plastics Inc. operated from the 145,000 square foot industrial premises that comprises the Real Property.
- 1.2.2 Mr. Jeffrey Slegers (“**Mr. Slegers**”) is the owner of the shares of 114 Inc. The Receiver understands that 114 Inc. is the holding company that owns the shares of the Company, and that Properties Inc. is the real estate holding company that owns the Real Property on which Plastics Inc.’s business operated. The Receiver further understands that Mr. Slegers is the sole officer and director of the Companies.
- 1.2.3 Prior to its appointment as the Receiver, BDO, in its then capacity as the proposed Receiver (in such capacity, the “**Proposed Receiver**”), submitted a report to the Court dated January 13, 2020 (the “**Proposed Receiver’s Report**”).

- 1.2.4 As noted above, on January 17, 2020, Mr. Justice McArthur granted the relief sought by RBC and granted the Appointment Order over all of the assets, undertakings and properties of the Companies, including the Real Property, but save and except for the Excluded Assets leased from HSBC (collectively, without the Excluded Assets, the “**Property**”).
- 1.2.5 The Excluded Assets consist of an Engel Injection Moulding Machine duo 17060/2200 US (the “**Engel 2200**”) and three Fanuc robots and are set out in Schedule B to the Appointment Order.
- 1.2.6 Plastics Inc. filed a Notice of Intention to Make a Proposal, pursuant to s. 50.4 (1) of the *Bankruptcy and Insolvency Act* on November 5, 2019 (the “**NOI**”), in respect of which BDO was named as the proposal trustee (in such capacity, the “**Proposal Trustee**”), and the time to file the proposal was extended by Court Order to January 18, 2020. Plastics Inc. did not file a proposal and was deemed to have filed an assignment in bankruptcy following January 18, 2020 and BDO was appointed as the Trustee in Bankruptcy of Plastic Inc.’s Estate (in such capacity, the “**Trustee**”).
- 1.2.7 The Trustee received a legal opinion from its counsel, Aird & Berlis LLP (“**A&B**”), confirming, subject to the usual assumptions and qualifications of an opinion of such nature, that valid and perfected security interests in Plastics Inc.’s Property had been granted in favour of RBC, and that such security interests rank in priority to the Trustee’s interests therein.
- 1.2.8 The Receiver submitted its First Report to Court dated June 1, 2020 (the “**First Report**”) in support of a motion for, among other things, Orders:
- (a) approving an agreement of purchase and sale made as of April 21, 2020 (the “**APS**”) between the Receiver, as seller, and Infinity Asset Solutions Inc. (“**Infinity**”), as purchaser, for the purchase by Infinity of Plastics Inc.’s machinery, equipment and remaining inventory (the “**Business Assets**”), and authorizing and directing the Receiver to enter into and complete the transaction contemplated by the APS (the “**Infinity Transaction**”);
 - (b) sealing the Confidential Supplement to the First Report dated June 1, 2020 and all appendices thereto (the “**First Confidential Supplement**”) from the public record until the Infinity Transaction has been completed or further Order of the Court;

- (c) vesting in Infinity, all of Plastics Inc.'s right, title and interest in and to the Business Assets, free of all encumbrances; and
- (d) approving the Receiver's proposed marketing and sale process with respect to the Real Property (the "**Real Property Sale Process**").

1.2.9 A copy of the First Report, without appendices, is attached as **Appendix B** to this Second Report

1.2.10 By Order dated June 15, 2020 (the "**Infinity Approval and Vesting Order**"), The Honourable Mr. Justice Grace approved the Infinity Transaction and vested in Infinity all of Plastics Inc.'s right, title and interest in and to the Business Assets, free of all encumbrances. The Infinity Approval and Vesting Order is attached as **Appendix C** to this Second Report.

1.2.11 By further Order dated June 15, 2020 (the "**Ancillary Order**"), His Honour also approved, among other things, the Proposed Receiver's Report, the Real Property Sale Process, the First Report and the activities of the Receiver described therein (other than, at the request of Mr. Slegers, reserving the approval of those activities described in section 4.14(a) of the First Report, pending additional details with respect to those activities being provided in a later report by the Receiver) and the First Confidential Report and the activities of the Receiver described therein. The Ancillary Order is attached as **Appendix D** to this Second Report.

1.2.12 His Honour's endorsement from the June 15, 2020 attendance is attached as **Appendix E** to this Second Report.

2. Terms of Reference

- 2.1 In preparing this Second Report, the Receiver has relied upon unaudited and draft internal financial information obtained from the Companies' books and records and discussions with management and staff (the "**Information**"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information and expresses no opinion, or other form of assurance, in respect of the Information.

3. Purpose of the Receiver's Second Report

3.1 This Second Report is filed:

- (a) to provide this Court with information about:
 - (i) the Receiver's activities since the date of the First Report;
 - (ii) section 4.14(a) of the First Report;
 - (iii) the results of the Real Property Sale Process;
 - (iv) the Receiver's advice and recommendation with respect to the sale of the Real Property; and
 - (v) the Receiver's advice and recommendations with respect to certain proposed distributions; and
- (b) in support of the Receiver's motion for Orders:
 - (i) approving an agreement of purchase and sale dated June 29, 2020 and accepted July 27, 2020 (the "**APS**") between the Receiver, as vendor, and 1803299 Ontario Inc. (the "**Purchaser**"), as purchaser, in respect of the Real Property (the "**400 South Edgeware APS**"), and authorizing the Receiver to enter into and complete the transaction contemplated therein (the "**400 South Edgeware Transaction**");
 - (ii) sealing the Confidential Supplement to this Second Report dated October 29, 2020 and all appendices thereto (the "**Second Confidential Supplement**") from the public record until the 400 South Edgeware Transaction has been completed or further Order of the Court;
 - (iii) vesting in the Purchaser all of Properties Inc.'s right, title and interest in and to the Real Property free and clear of any and all claims and encumbrances, save and except the permitted encumbrances;
 - (iv) directing Libro Credit Union ("**Libro**") to provide the Receiver with particulars of the payee for Libro bank drafts #27875 and #27876 issued from an account maintained by 114 Inc. with Libro (the "**114 Libro Account**") and of the account holder for each of Libro accounts #93286 and #3825551;

- (v) approving the activities of the Receiver outlined at section 4.14(a) of the First Report;
- (vi) approving this Second Report, the Second Confidential Supplement and the activities and conduct of the Receiver described herein and therein;
- (vii) approving the Receiver's Statement of Receipts and Disbursements for the period January 17, 2020 to September 30, 2020 (the "**Statement of Receipts and Disbursements**");
- (viii) approving BDO's accounts for professional fees and disbursements as Receiver that are appended hereto (the "**BDO Fees**");
- (ix) approving the fees and disbursements of A&B, counsel to the Receiver, that are appended hereto ("**A&B Fees**" and, together with the BDO Fees, the "**Professional Fees**"); and
- (x) authorizing the following distributions to be made following the completion of the 400 South Edgeware Transaction:
 - (A) first, the distribution of \$439,712.11 to Rassaun Services Inc. ("**Rassaun**") in full satisfaction of Rassaun's claims against Sle-Co; and
 - (B) second, an interim distribution to RBC in the amount of \$5,000,000.

4. Receiver's Activities

Infinity Transaction

- 4.1 The Infinity Approval and Vesting Order was issued on June 15, 2020. Subsequently, Infinity paid the balance of the purchase price pursuant to the APS and on June 26, 2020 the Receiver issued the Receiver's Certificate certifying the completion of the Infinity Transaction.
- 4.2 The APS provides Infinity with access to the Real Property until November 30, 2020 (or such other date as may be mutually agreed upon) to conduct a sale of the Business Assets and provide for removal of all machinery and equipment. Infinity conducted a sale of the Business Assets by online public auction on September 22, 2020 and September 23, 2020 (the "**Infinity Sale**"). Certain machinery was sold by Infinity prior to the Infinity Sale and removed by the buyers. The removal of machinery and equipment sold in the Infinity Sale is ongoing, but expected to be completed prior to November 30, 2020.

Operations

- 4.3 The First Report described the continuation of limited production by the Receiver and the final arrangements entered into with major customers of Plastics Inc. The Receiver ceased production on February 28, 2020.
- 4.4 The Receiver has continued to retain two former employees of Plastics Inc. as independent contractors for various functions, including, but not limited to: daily inspections of the plant; providing access to outside parties; assisting with viewings by the Receiver's real estate agent; assisting in the recovery/removal of equipment by third parties or purchasers; assisting with preparations for the Infinity Sale; IT matters; and other wind-down and clean-up related tasks.
- 4.5 The Receiver has carried out various necessary repairs to the Real Property, including the following:
- (a) Sle-Co had obtained a building permit with the City of St. Thomas (the "**City**") for additions to be constructed for office space and a mechanical room for

cooling equipment. Both projects had been started, but not completed. The Receiver engaged the consulting engineer who obtained the permit for Sle-Co (“SPH”) to assess the situation. A large area had been excavated adjacent to the foundation of the building and some concrete footings had been poured. Over time, the excavated area had filled with water and concrete rebar was exposed in several places. In addition, several doors opened from the plant to either an excavated area or other abrupt drop-off, all of which presented a significant safety hazard. Further, over time the large pools of water adjacent to the foundation could be detrimental to the integrity of the building. The Receiver engaged Yarmouth Group of St. Thomas to remove certain concrete and rebar, and backfill and grade several areas of the property utilizing several hundred cubic yards of fill already located on the Sle-Co site. This work was completed to the satisfaction of SPH and the Receiver. The Receiver has also been advised by the City that the building permit has been cancelled.

- (b) In order to improve the security of the building in the area of the train bay adjacent to the main electrical room, the Receiver arranged for additional fencing to be installed above existing gates to the bay and for a motion activated siren system.

Sale of Excluded Assets by HSBC

- 4.6 The Receiver had ongoing correspondence with legal counsel to HSBC regarding the Excluded Assets, including directing interested parties to HSBC, reviewing logistical considerations related to the machinery and identifying certain equipment affixed to the Engel 2200 that was included in the Infinity Transaction. It was not practical for the Engel 2200 or other equipment to be removed prior to their disposition by HSBC, so the machinery remained at the Sle-Co premises. On May 14, 2020 HSBC’s legal counsel advised the Receiver that, pursuant to its security, HSBC had completed the sale of the Excluded Assets to purchasers that included Arlington Plastics Machinery Inc. of Elk Grove, Illinois (“**Arlington**”).
- 4.7 Over several days in August 2020, the Engel 2200 and one of the Fanuc robots was removed from the plant by professional machine movers engaged by Arlington. The independent contractors engaged by the Receiver provided assistance to the process.

- 4.8 The Receiver understands that the two other Fanuc robots that comprise the Excluded Assets were included in the Infinity Sale under arrangements between Arlington and Infinity.

Property and Liability Insurance

- 4.9 As outlined in the First Report, the Companies' existing insurance consisted of four policies placed by Marsh Canada Inc. ("**Marsh**") with several insurers for property, liability (two policies) and machinery breakdown coverages. The Receiver advised Marsh of its appointment and directed Marsh to add the Receiver to the policies as a named insured. The Receiver continued payment of the policy premiums under an installment finance contract with First Insurance Funding of Canada ("**FIF**").
- 4.10 The Receiver adjusted certain property coverages based on appraised values of the Property and offers received in the Receiver's sale process for the Business Assets. Upon completion of the Infinity Transaction the Receiver deleted coverage for machinery and equipment.
- 4.11 The Companies' insurance policies expired on July 31, 2020. Through Marsh the Receiver arranged for 4 new insurance policies for the period July 31, 2020 to July 31, 2021 for Property All Risks, Commercial General Liability and Boiler & Machinery at a total premium of \$178,207. The Receiver has paid the full 12 month premium, but subject to Court approval and completion of the 400 South Edgeware Transaction expects to receive a partial refund of premiums upon the eventual cancellation of the policies.

Manulife Life Insurance Policy

- 4.12 Plastics Inc. was the owner of a business term life insurance policy for Mr. Slegers in the amount of \$2,000,000, underwritten by Manulife (the "**Manulife Policy**"). The policy was assigned to RBC.
- 4.13 With the support of RBC, the Receiver has taken an interest in the Manulife Policy and paid the annual premium that was due on June 17, 2020.

Canada Revenue Agency / Income tax returns

- 4.14 Plastics Inc. appears to have a significant liability to Canada Revenue Agency

("CRA") which has not yet been fully quantified and finalized. The components of the liability and potential offsets are discussed below:

- 4.15 Payroll Source Deductions - As outlined in the First Report, the Receiver understands that Plastics Inc. incurred significant arrears of payroll source deductions. According to the 2019 T4 Summary and 2020 T4 Summary submitted by the Company, unremitted source deductions total \$1,996,365, of which \$1,487,697 represents a potential deemed trust claim by CRA.
- 4.16 Harmonized Sales Tax ("HST") - CRA has advised the Receiver that numerous HST returns were not filed by the Company, dating to May 1, 2019. CRA has filed an unsecured claim with the Trustee of Plastics for unremitted HST from March and April 2019 in the amount of \$92,064. The Receiver will be making arrangements for the returns from May 2019 to be prepared and filed, but it has not yet been determined whether there is a further liability to CRA for unremitted HST. The Receiver will be entitled to claim an adjustment for HST charged on uncollectible accounts receivable, such as the pre-receivership invoices to Clek Inc. discussed in the First Report. In the event there is a further HST liability, in view of the bankruptcy of Plastics Inc., CRA would appear to have an unsecured claim for this amount.
- 4.17 The Receiver obtained an HST account in the name of the Receiver and has filed monthly returns and remitted HST collected on its activity from January 20, 2020.
- 4.18 Scientific Research and Experimental Development Tax Credit ("SRED") - Plastics Inc. engaged Business Improvement Group ("BIG") to prepare and file Scientific Research and Experimental Development Tax Credit ("SRED") applications for its 2018 and 2019 fiscal years. The Receiver authorized BIG to continue to advance the SRED applications and former Sle-Co employees assisted BIG in compiling additional information in support of the claims. Representatives of BIG, management of Sle-Co and CRA met onsite at the Sle-Co facility on February 27, 2020. Based on this meeting, BIG understands that CRA considers the projects reviewed to be SRED-eligible, with confirmation of the scope of expenses to be completed. The amount claimed by Plastics Inc. for 2018 and 2019 was \$300,127. Based on a detailed review of the projects submitted CRA accepted the 2018 claim as filed in the amount of \$17,205, but proposed certain adjustments to the 2019 claim. Upon review, the Receiver accepted CRA's proposed adjustments resulting in a refundable Investment

Tax Credit for 2019 of \$209,049. The fees of BIG were paid in accordance with the agreement between Plastics Inc. and BIG.

- 4.19 Plastics Inc. also submitted a SRED claim for fiscal 2017 in the amount of \$248,368. As outlined in the First Report, the Receiver understood that a significant portion of the claim was ruled by CRA to not qualify, but had been unable to confirm the portion that was still under review. The Receiver subsequently determined that Plastics Inc. had not responded to CRA enquiries within the prescribed time periods and the claim was disallowed. Plastics Inc. subsequently filed a Notice of Objection and the claim was subject to review by the appeals division of CRA. After some discussions, CRA provided the Receiver with a detailed review report dated August 7, 2020 for the 2017 claim. Substantial expenditures were disallowed for work that did not meet the definition of SRED. CRA proposed a non-refundable Investment Tax Credit for 2017 of \$86,038. The Receiver has advised CRA of its acceptance of the recommended claim.
- 4.20 Corporation Income Tax - As outlined in the First Report, draft Plastics Inc. financial statements for the year ended April 30, 2019 (“**Fiscal 2019**”) indicate a net loss, before income taxes of \$11,002,961. The Receiver understands that Plastics Inc. was profitable and paid income taxes in prior years. The Receiver determined that the Companies’ external accountants, Davis Martindale LLP (“**DM**”), have filed a T2 corporate income tax return for Fiscal 2019, with a carry back of losses to the years ended April 20, 2017 and April 30, 2016. No loss was carried back to the year ended April 30, 2018 (“**Fiscal 2018**”) because Plastics Inc. incurred a loss for Fiscal 2018. DM estimates a tax recovery of \$714,000 from the carry back of losses, which is less than the preliminary estimate of \$830,000 identified in the First Report and is subject to CRA review and assessment. The preparation of Fiscal 2019 financial statements for Properties Inc. and 114 was started, but not completed, and income tax returns have not been filed.
- 4.21 The Receiver has engaged DM, for each of the Companies, to complete financial statements and file income tax returns for Fiscal 2019 and the fiscal period to the appointment of the Receiver. Under the terms of the engagement, the Receiver has paid outstanding DM invoices and unbilled professional time incurred to date for Fiscal 2019, as well as invoices for professional time in preparing financial projections

in the Companies' efforts to restructure prior to the appointment of the Receiver.

Lessor – Cisco Systems Capital Co.

- 4.22 Plastics Inc. leased telecommunications and data equipment from Cisco Systems Capital Canada Co. ("**Cisco**") under a lease dated November 18, 2018.
- 4.23 A&B has provided an independent legal opinion dated March 18, 2020 that, subject to the customary assumptions and qualifications, Cisco has valid and enforceable security over the Cisco leased assets, and that such security interest ranks in priority to the Trustee's interests therein. The Receiver is satisfied that the Cisco lease meets the factual requirements for a purchase money security interest.
- 4.24 The Receiver corresponded with De Lage Landen Financial Services Canada Inc. ("**De Lage**"), which the Receiver understands administers the Cisco contract. Following the lifting of Covid-19 business restrictions in Ontario, a third party contracted by De Lage recovered the Cisco equipment on July 9, 2020.

Lessor – Dell Financial Services Canada

- 4.25 Plastics Inc. leased computer equipment from Dell Financial Services Canada ("**Dell**") under a lease dated August 7, 2018.
- 4.26 A&B has provided an independent legal opinion dated March 18, 2020 that, subject to the customary assumptions and qualifications, Dell has valid and enforceable security over the Dell leased assets, and that such security interest ranks in priority to the Trustee's interests therein. The Receiver is satisfied that the Dell lease meets the factual requirements for a purchase money security interest.
- 4.27 The Receiver initiated correspondence with Dell by email, but did not receive a response. Subsequently, on July 27, 2020 the Receiver wrote to Dell advising of its potential claim to the equipment and providing a deadline of August 31, 2020 to contact the Receiver to make recovery arrangements (the "**July 27, 2020 Letter**"). The Receiver's letter to Dell was delivered by courier on July 29, 2020. No response was received and the Receiver included the equipment in the Infinity Sale.
- 4.28 Subsequently, a representative of Dell contacted the Receiver by email on September 30, 2020 to enquire on the status and physical location of the leased

equipment, but did not appear to have any knowledge of the July 27, 2020 Letter. The Receiver provided a copy of the July 27, 2020 letter and proof of delivery and advised that the leased equipment had been included in the Infinity Sale. Notwithstanding the July 27, 2020 Letter, and in view of Dell's valid and enforceable security, the Receiver advised that it would forward the proceeds of sale to Dell.

Libro Credit Union bank accounts

- 4.29 The Companies maintained their primary bank accounts with RBC, which provided various credit facilities to the Companies. The Companies also maintained secondary accounts at Libro with limited activity.
- 4.30 The Plastics Inc. Libro account was closed on January 9, 2020, prior to the appointment of the Receiver.
- 4.31 The Receiver requested Libro to close the Properties Inc. Libro account. Proceeds of \$33,135.10 were received, of which \$30,489.00 originated from Class P Profit shares which accrue to owners/members in the credit union.
- 4.32 The Receiver requested Libro to close the 114 Libro Account. Proceeds of \$395.05 were received, including a small balance of Class P Profit shares.

Clek Inc. pre-receivership accounts receivable (section 4.14(a) of the First Report)

- 4.33 As outlined above, the Ancillary Order reserved the approval of the Receiver's activities described in section 4.14(a) of the First Report to a later report. This was done at the request of Mr. Slegers, who sought additional information during the most recent Court hearing in respect of section 4.14(a) of the First Report. For convenience, Section 4.14 of the First Report is presented below:

4.14 Once the Build-Out was in progress, certain disputes arose between the Receiver and Clek. In an effort to avoid litigation and potential delays and disruption to both Clek's business and the Receiver's mandate, representatives of Clek and the Receiver met in person on February 28, 2020 at the offices of the Receiver in Kitchener, Ontario. At this meeting a resolution was reached between the parties, the key terms of which are as follows:

(a) all outstanding invoices to Clek for pre-receivership production by Plastics Inc. would be offset (and not paid) by Clek against damages allegedly caused by Plastics Inc.'s insolvency. These invoices totalled USD \$675,896, inclusive of HST;

(b) Clek would immediately pay in full all invoices for car seats produced and invoiced subsequent to the appointment of the Receiver. These invoices totalled USD \$838,731.95, inclusive of HST. Upon payment of this amount, Clek would commence removal of all moulds/tooling owned by Clek and all finished goods from the Real Property; and

(c) Clek would purchase all remaining component parts inventory at a price to be negotiated between the Receiver and Clek.

4.34 Subsequent to the June 15, 2020 Court attendance, the Receiver provided Mr. Slegers with additional background, including the following:

- (a) It was the Receiver's expectation, as consideration for continuing production [with Clek], that all accounts receivable, both pre-receivership and production by the Receiver, would be paid in full prior to February 28, 2020 at which time Clek would remove its moulds/tooling and finished seat inventory. It was the Receiver's view that this was clearly communicated to Clek by the Proposal Trustee, Sle-Co management and then subsequently the Receiver. These terms were incorporated into a draft Accommodation Agreement that was provided to Clek on February 5, 2020 and discussed with management of Clek on February 11, 2020 without any objection raised.*
- (b) [On February 18, 2020, Clek] rejected the Accommodation Agreement and raised the issue of damages incurred by Clek. In the Receiver's view, the position outlined in the February 18, 2020 letter was inconsistent with all communications to that point between Clek, Sle-Co management and the Receiver.*
- (c) Upon receipt of this letter, the Receiver ceased shipping car seats to Clek customers, but continued production and substantially completed the agreed upon build-out of seats. There was further correspondence between A[&]B and Clek's legal counsel without resolution.*

(d) *The Receiver considered litigation against Clek, but in view of the risks of litigation, including the impact of time delay on both the Receiver's mandate and Clek's business viability, concluded that a negotiated settlement that provided for immediate payment of funds would better serve the stakeholders of Sle-Co.*

4.35 Mr. Slegers acknowledged receipt of this additional background on June 23, 2020 without further comment.

5. Review of potential reviewable transactions

- 5.1 As noted in the First Report, 114 Inc.'s financial statements for the year ended April 30, 2018 indicate a Cash Surrender Value of Life Insurance in the amount of \$861,862.
- 5.2 The Receiver determined that the life insurance policy identified on the financial statements was underwritten by London Life (the "**London Life Policy**"). Through a series of enquiries to the agent, Barill and Company of Sarnia, Ontario, and to London Life directly, the Receiver determined the following:
- (a) At March 17, 2018 the total policy value was \$691,540. On April 15, 2018 a cash loan of \$600,000 was advanced against the policy. There were subsequent transactions for increases in the policy value, less interest charged on the loan and annual policy premiums charged against the policy value.
 - (b) On September 18, 2019 the London Life Policy was terminated, at which time the cash surrender value was \$206,471. The cash surrender value was paid by London Life and deposited to the 114 Libro Account on September 19, 2019.
- 5.3 Upon request, Libro provided the Receiver with bank statements for the 114 Libro Account from May 2018 to May 2020. The Receiver noted that between September 19, 2019 and November 1, 2019, \$210,000 was disbursed from the 114 Libro Account by bank drafts or transfers to other Libro accounts.
- 5.4 As previously noted, Plastics Inc. filed the NOI on November 5, 2019.
- 5.5 During December 2019, various cheques totaling \$123,000 were issued from RBC accounts for 114, 2366608 Ontario Inc. (a predecessor company of Properties Inc.) and 2384003 Ontario Inc. and deposited to the 114 Libro Account.
- 5.6 During January 2020, funds were also transferred from the Plastics Inc. Libro account to the 114 Libro Account. Subsequently, during January 2020, \$176,600 was transferred from the 114 Libro Account to another Libro account., the account holder of which is unknown.
- 5.7 The Appointment Order was issued on January 17, 2020.

- 5.8 A summary of activity greater than \$5,000 in the 114 Libro Account is attached as **Appendix F** to this Second Report. In total, between October 19, 2019 and January 17, 2020, CAD \$386,600 and USD \$13,750 was disbursed from the 114 Libro Account by bank draft or transfers to other Libro accounts. Such disbursements were made immediately prior or subsequent to the filing of the NOI by Plastics Inc., and all but CAD \$40,000 were made within 3 months of the Order appointing BDO as Receiver of 114. As such, the payments may constitute reviewable transactions under the Bankruptcy and Insolvency Act and/or provincial legislation.
- 5.9 The Receiver requested Libro provide particulars of the two bank drafts on November 1, 2019 totalling \$150,000 and the accounts holders of Libro accounts #93286 and #3825551, which received \$60,000 and \$176,600 respectively from the 114 Libro Account.
- 5.10 Libro advised that the recipients of funds were not companies included in the Appointment Order and due to privacy concerns was not comfortable providing this information. Libro has requested the Receiver obtain a further Court Order in order for it to comply with the Receiver's request.
- 5.11 Paragraph 5 of the Appointment Order already requires Records (as defined in the Appointment Order) to be provided to the Receiver upon the Receiver's request, and the Receiver is of the view that the information requested of Libro falls within the definition of Records. However, in order to be responsive to Libro's practical request, the Receiver is seeking an Order directing Libro to provide the Receiver with particulars of the payee for Libro bank drafts #27875 and #27876 and of the account holder for Libro accounts #93286 and #3825551.

6. Receiver's Sale of 400 South Edgeware Road, St. Thomas

- 6.1 All collectible accounts receivable and substantially all the inventory have been realized upon by the Receiver. The remaining Property is/was comprised of the Business Assets (previously owned by Plastics Inc. prior to the Infinity Transaction) and the Real Property (owned by Properties Inc.).

Real Property Sale Process

The Real Property

- 6.2 The Receiver understands that the Real Property (or "**400 South Edgeware Road**") comprises an approximately 145,000 square foot industrial building located on a 16.5 acre parcel of land in St. Thomas, Ontario, with a rail spur to an active CP Rail line, 15 storages silos, ceiling clearances of up to 44 feet and other attributes.
- 6.3 The Receiver commissioned an appraisal of the Real Property from Metrix Realty Group of London, Ontario ("**Metrix**"). The appraisal report of Metrix dated March 10, 2020 (the "**Metrix Appraisal**") is attached as **Appendix C** to the Second Confidential Supplement.
- 6.4 As outlined in the First Report and pursuant to its powers under the Appointment Order, the Receiver entered into a listing agreement for the sale of the Real Property with Mr. Kevin MacDougall of CBRE Limited of London, Ontario ("**CBRE**").
- 6.5 Based on the Metrix Appraisal, the Receiver's review of recent comparable sales and input from CBRE, the Receiver established a listing price of \$6,300,000.
- 6.6 As outlined in the First Report, Mr. MacDougall commenced marketing, advertising and showing the Real Property to potential purchasers in May 2020. Despite the economic uncertainty of the Covid-19 pandemic, numerous parties executed confidentiality agreements with CBRE to access an electronic data room and/or toured the premises.
- 6.7 The Real Property Sale Process was then approved by the Court on June 15, 2020, as set out earlier in this Second Report.
- 6.8 After some negotiations, on July 27, 2020 the Receiver entered into the 400 South Edgeware APS for the sale of the Real Property to the Purchaser. A copy of the 400

South Edgeware APS with the purchase price and deposit terms redacted is attached as **Appendix G** to this Second Report. An unredacted copy of the 400 South Edgeware APS is attached as **Appendix A** to the Second Confidential Supplement.

- 6.9 Deposits paid by the Purchaser are held in trust by CBRE and not included in the Receiver's Statement of Receipts and Disbursements.
- 6.10 The Receiver is seeking approval for the sale of the Real Property pursuant to the South Edgeware APS and a vesting Order in respect of the Real Property.
- 6.11 The Receiver's analysis of the 400 South Edgeware Transaction is contained in the Second Confidential Supplement.
- 6.12 The Receiver requests that the Court make an order sealing the Second Confidential Supplement to avoid the negative impact which the dissemination of the confidential information contained therein might have should the 400 South Edgeware Transaction fail to close for any reason. Publication of the purchase price would undermine the fairness of the resumption of the sale process that may be required if the 400 South Edgeware Transaction does not close.
- 6.13 The Receiver consulted with RBC during the negotiation process with the Purchaser. RBC has advised the Receiver that it supports the 400 South Edgeware Transaction. RBC holds all three Charges registered against the Real Property.
- 6.14 Provided that the Court grants the Approval and Vesting Order, the 400 South Edgeware Transaction is scheduled to close on November 30, 2020.
- 6.15 The Receiver is satisfied that the Real Property was properly exposed to the relevant marketplace and the 400 South Edgeware Transaction represents fair value for the Real Property.
- 6.16 The Receiver is of the view that it has maximized the realization available and the 400 South Edgeware Transaction is commercially reasonable in all respects. Given the foregoing, the Receiver is of the view that the 400 South Edgeware Transaction is in the best interests of the creditors and other stakeholders of Properties Inc.
- 6.17 The Receiver recommends that the Court approve the 400 South Edgeware Transaction.

7. Statement of Receipts and Disbursements of the Receiver

7.1 The Receiver maintains a CAD and USD account at RBC in London, Ontario. Attached as **Appendix H** to this Second Report is the Statement of Receipts and Disbursements. Details of the Receiver's receipts and disbursements are as follows:

7.2 Receipts – CAD

- a) *Sale of machinery and equipment (Sle-Co Plastics Inc.) (\$3,200,000.00)* — The Receiver received \$3,200,000 from the sale of the machinery and equipment en bloc that comprised the Infinity Transaction.
- b) *Sale of inventory (Sle-Co Plastics Inc.) (\$95,000.00)* — The Receiver received \$95,000 from the sale of remaining inventory to Clek.
- c) *Cash in Bank (Sle-Co Properties Inc.) (\$51,833.51)* — The Receiver realized \$51,833.51 from the Properties Inc.'s bank accounts with RBC and Libro.
- d) *Collection of accounts receivable (Sle-Co Plastics Inc.) (\$49,996.23)* — The Receiver collected Plastics Inc.'s accounts receivable of \$49,996.23
- e) *Sale of equipment (Sle-Co Plastics Inc.) (\$5,000.00)* — The Receiver sold specialized equipment to a customer for \$5,000.
- f) *Cash in Bank (Sle-Co Plastics Inc.) (\$1,744.63)* — The Receiver realized \$1,744.63 from the Plastics Inc. bank account with RBC.
- g) *Interest earned (\$1,728.18)* — The Receiver received interest of \$1,728.18 on its CAD account.
- h) *Cash in Bank (1142024 Ontario Inc.) (\$1,698.79)* — The Receiver realized \$1,698.79 from the 114 Inc. bank accounts with RBC and Libro.

- i) *Transfers from USD account (\$3,271,885.42)* – The Receiver transferred CAD \$3,271,885.42 from its USD account to the CAD account at an approximate average exchange rate of 1.3766.

7.3 Disbursements - CAD

- a) *Independent Contractor payments (\$795,906.65)* – The Receiver paid \$795,906.65 to independent contractors.
- b) *Receiver's Fees (\$329,295.58)* – BDO's interim accounts through April 30, 2020 in the amount \$285,295.58, exclusive of HST, have been approved by the Court and paid from the Receiver's account. BDO's interim account for the period May 1 through May 30, 2020 in the amount of \$44,000.00 has been paid from the Receiver's account and is subject to Court approval.
- c) *Insurance (\$304,927.97)* – The Receiver paid \$130,720.41 to FIF for ongoing premiums on Sle-Co's existing property, liability and machine breakdown insurance policies. The Receiver paid \$178,207.56 in premiums to Marsh for new insurance policies for the period July 31, 2020 to July 31, 2021, as outlined in Section 4.12.
- d) *Utilities and telecommunications (\$207,518.48)* – The Receiver paid \$207,518.48 for heat, hydro, internet and telephone services.
- e) *Repairs and Maintenance (\$145,549.67)* – The Receiver paid \$145,549.67 for maintenance and repairs to machinery and the Real Property.
- f) *HST remitted (\$142,124.89)* – The Receiver has remitted \$142,124.89 in HST collected, less input credits.
- g) *HST paid (\$121,158.12)* – The Receiver paid \$121,158.12 in HST on its disbursements.
- h) *Group Benefits & WSIB (\$84,338.12)* – The Receiver paid \$75,662.49 to Great West Life / Canada Life for the continuation of the employee group benefits plan to March 31, 2020 and \$8,675.63 in WSIB premiums.
- i) *Legal Fees (\$60,206.39)* – A&B's interim accounts through April 30, 2020 in the amount \$46,855.50, exclusive of HST, have been approved by the Court and paid

from the Receiver's account. A&B's further interim accounts in the amount of \$13,350.89 have been paid from the Receiver's account and are subject to Court approval.

- j) *Accounting fees (\$58,130.00)* – The Receiver paid outstanding DM invoices and unbilled professional time incurred to date for the fiscal year ended April 30, 2019, as well as invoices for professional time in preparing financial projections in the Companies' efforts to restructure prior to the appointment of the Receiver.
- k) *Equipment leases and rental (\$50,514.52)* – The Receiver paid \$50,514.52 for lease and rental payments on various equipment.
- l) *Consulting fees (\$47,048.35)* – The Receiver paid consulting fees totalling \$47,048.35 to BIG for preparation of the SRED claims, SPH for consulting engineering services and EXP Services Inc. for preparation of a remedial work plan and cost estimate of the soil remediation.
- m) *Security (\$21,546.00)* – The Receiver paid \$21,546.00 for security during certain periods when the plant was unattended by the independent contractors.
- n) *Freight and Shipping (\$17,584.74)* – The Receiver paid \$17,584.74 in shipping, freight and brokerage on purchases of raw materials and components.
- o) *Purchases (\$13,743.73)* – The Receiver purchased \$13,743.73 in raw materials, component parts and supplies for production.
- p) *Life insurance premium (\$5,480.76)* — The Receiver paid \$5,480.76 in premiums on the Manulife Policy.
- q) *Advertising (\$4,570.50)* — The Receiver paid \$4,570.50 for advertising its sale process for the Property in the Globe and Mail and The London Free Press.
- r) *Appraisal fees (\$3,305.00)* — The Receiver paid \$3,305.00 to Metrix for an appraisal of the Real Property.
- s) *Bank Charges (\$2,016.28)* — The Receiver paid \$2,016.28 in bank charges.

- t) *Advance to Trustee (\$1,000.00)* — The Receiver advanced \$1,000.00 to the bankrupt estate of Plastics Inc. to fund registration fees and expenses of the Trustee.

7.4 **Receipts – USD** (Unchanged from First Report)

- a) *Receiver sales (\$1,127,929.98)* — Sales by the Receiver to Clek and other customers were \$1,127,929.98.
- b) *Collection of accounts receivable (\$1,028,628.02)* — The Receiver collected Plastics Inc. accounts receivable of \$1,028,628.02.
- c) *HST collected on sales (\$153,088.26)* — The Receiver collected HST of \$153,088.26 on sales.
- d) *Cash in Bank (Sle-Co Plastics Inc.) (\$141,342.80)* — The Receiver realized \$141,342.80 from the Plastics Inc. bank account.
- e) *Sale of inventory (\$133,505.75)* — The Receiver collected \$133,505.75 from the sale of inventory.

7.5 **Disbursements – USD** (Unchanged from First Report)

- a) *Purchases (\$151,209.17)* – The Receiver purchased \$151,209.17 in raw materials, component parts and supplies for production.
- b) *HST paid (\$10,459.90)* – The Receiver paid \$10,459.90 in HST on its disbursements.
- c) *Equipment leases and rental (\$2,648.11)* – The Receiver paid \$2,648.11 to HSBC for lease payments.
- d) *Transfer to Receiver's CAD account (\$2,376,838.17)* – The Receiver transferred USD \$2,376,838.17 to its CAD account at an approximate average exchange rate of 1.3766.

8. Fees and Disbursements of the Receiver and Counsel to the Receiver

- 8.1 Pursuant to Paragraph 18 of the Appointment Order, the Receiver and counsel to the Receiver shall be paid their reasonable Professional Fees in each case at their standard rates and charges. The Receiver and counsel to the Receiver have been granted a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, as security for payment of the Professional Fees.
- 8.2 Pursuant to paragraph 19 of the Appointment Order, the Receiver and counsel to the Receiver are to pass their accounts from time to time before a Judge of the Court.
- 8.3 Attached as **Appendix I** to this Second Report is the fee affidavit of Stephen N. Cherniak sworn October 28, 2020, containing BDO's interim accounts for the following periods:
- o May 1, 2020 to May 31, 2020;
 - o June 1, 2020 to June 30, 2020; and
 - o July 1, 2020 to September 30, 2020;
- 8.4 The Receiver's total fees and disbursements to September 30, 2020, exclusive of HST, are \$467,343.58.
- 8.5 The hourly rates charged by the Receiver and its staff are commensurate with commercially reasonable rates for mid-market insolvency firms in the Southwestern Ontario region.
- 8.6 Attached as **Appendix J** is the fee affidavit of Damian Lu sworn October 28, 2020 containing the interim accounts of A&B for the period May 1, 2020 to September 30, 2020.
- 8.7 A&B's fees and disbursements for this period, inclusive of HST, are \$17,378.38.

- 8.8 It is the Receiver's opinion that the Professional Fees are fair and reasonable and justified in the circumstances and accurately reflect the work done by the Receiver and A&B in connection with the receivership during the relevant periods. The Receiver recommends approval of the Professional Fees by the Court.

9. Distribution

- 9.1 The Receiver received a legal opinion from its counsel, A&B confirming, subject to the usual assumptions and qualifications of an opinion of such nature, that valid and perfected security interests in Plastics Inc.'s Property had been granted in favour of RBC.
- 9.2 The Receiver received a legal opinion from its counsel, A&B confirming, subject to the usual assumptions and qualifications of an opinion of such nature, that Charges over the Real Property granted by Properties Inc. and its predecessor company 236608 Ontario Inc. constitute valid and enforceable security interests in the Real Property in favour of RBC.
- 9.3 RBC has advised the Receiver that Sle-Co is indebted to RBC on account of principal, interest and professional fees as at January 20, 2020 in the amount of \$11,399,920 (the "**RBC Indebtedness**"). The RBC Indebtedness includes \$7,899,920 in respect of credit facilities owing directly by Plastics Inc. (which are also subject to a guarantee from Properties Inc. in the maximum principal amount of \$7,100,000 plus interest thereon) and \$3,500,000 in respect of credit facilities owing directly by Properties Inc. (which are also subject to a guarantee from Plastics Inc. in the maximum amount of \$4,500,000 plus interest thereon).
- 9.4 As outlined in section 4.15 of this Second Report, CRA has a potential deemed trust claim of \$1,487,697 for unpaid payroll source deductions. This amount will be partly offset by SRED claims and the carry back of losses to corporation income taxes paid in prior years. The HST liability or credit has not been determined, but any liability will be significantly reduced by adjustment for HST charged on accounts receivable from Clek and other customers that were not collected by the Receiver. In view of the bankruptcy of Plastics Inc. any HST liability would be an unsecured claim.
- 9.5 Until the deemed trust claim of CRA is finalized the Receiver recommends maintaining sufficient funds on hand to pay a potential CRA claim up to the amount of \$1,487,697 (the "**CRA Holdback**").
- 9.6 Three suppliers who performed work at 400 South Edgeware Road have registered liens against the Real Property pursuant to the Construction Lien Act (the

“Lienholders”) as summarized below:

<u>Construction Lien Registration Date</u>	<u>Registered Amount</u>	<u>Lien Holder’s Name</u>
2018/10/11	\$494,708	Rassaun Services Inc.
2018/12/28	\$152,915	Jay Okkerse Contracting Ltd.
2019/02/11	\$29,319	North Shore Farming Company Limited

- 9.7 The Receiver understands from RBC’s counsel, Harrison Pensa LLP (“**HP**”), that Rassaun obtained Judgment in respect of its lien in the amount of \$465,110 (inclusive of costs), and that some or all of Rassaun’s claim may stand in priority to one or more of the RBC Charges over the Real Property. The Receiver understands from HP that RBC and Rassaun have agreed to settle their priority dispute by Rassaun receiving \$439,712.11 in priority to RBC, in full satisfaction of Rassaun’s claims against Sle-Co.
- 9.8 The Receiver understands that the remaining lienholders claims total \$182,234 (the “**Remaining Lienholders**”). The Receiver understands that the Remaining Lienholders claims are currently under review by HP and the respective lienholders. Some or all of the Remaining Lienholders’ claims may stand in priority to RBC. Until the Remaining Lienholders claims are finalized, the Receiver recommends maintaining sufficient funds on hand to pay the Remaining Lienholders’ claims up to the amount of \$182,234 (the “**Lienholders Holdback**”).
- 9.9 All claims by former employees of Plastics Inc. under the *Wage Earner Program and Protection Act* (“**WEPPA**”) were for termination and severance pay only. All wages and vacation pay were paid by Plastics Inc. or the Receiver. Accordingly, the Receiver does not expect to receive a secured claim from Service Canada that would stand in priority to RBC, and no secured claim has been filed to date.
- 9.10 Following the completion of the 400 South Edgeware Transaction, the Receiver will have sufficient funds on hand from the 400 South Edgeware Transaction and the Infinity Transaction to make distributions to Rassaun and to RBC, in a total amount not to

exceed the RBC Indebtedness. The distribution proposed by the Receiver will preserve sufficient funds on hand to provide for the CRA Holdback, the Lienholders Holdback and the future expenses, tax liabilities and Professional Fees of the Receiver. The Receiver is therefore seeking authorization of the Court to distribute CAD \$439,712.11 to Rassaun and CAD \$5,000,000 to RBC, both upon completion of the 400 South Edgeware Transaction.

10. Recommendations

10.1 The Receiver recommends and respectfully requests that the Court grant the relief summarized at paragraph 3.1(b) of this Second Report.

All of which is respectfully submitted this 29th day of October, 2020.

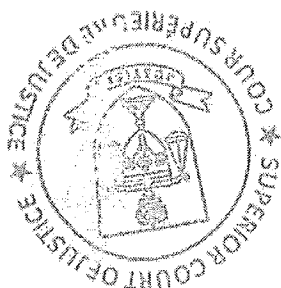
BDO Canada Limited, solely in its capacity as Court-appointed Receiver of Sle-Co Plastics Inc., Sle-Co Properties Inc. and 1142024 Ontario Inc., and not in any other capacity



Per: Stephen N. Cherniak, CPA, CA, CIRP
Licensed Insolvency Trustee
Senior Vice President

42184955.1

TAB A



Court File No. 35-2220172T

ONTARIO
 SUPERIOR COURT OF JUSTICE
 IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE <i>MR.</i>)	FRIDAY, THE 17TH
)	
JUSTICE <i>M. D. M. CAETANA</i>)	DAY OF JANUARY, 2020

ROYAL BANK OF CANADA

Plaintiff

- and -

SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC., and
 1142024 ONTARIO INC.

Defendants

ORDER
 (appointing Receiver)

THIS MOTION made by the Plaintiff, Royal Bank of Canada (the "Bank") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing BDO Canada Limited as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Sle-Co Plastics Inc., Sle-Co Properties Inc. and 1142024 Ontario Inc. (collectively hereinafter referred to as the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including the real property described at Schedule "A" to this Order (the "Real Property") and excluding the assets as listed at Schedule "B" to this Order (the "Excluded Assets"), was heard this day at 80 Dundas Street, London, Ontario.

- 2 -

ON READING the affidavit of Greg Smith sworn January 9, 2020 and the Exhibits thereto and on hearing the submissions of counsel for the Bank, counsel for the Receiver and no one else appearing although duly served as appears from the affidavit of service of Lindsay Ferguson sworn January 10, 2020, and the affidavit of service of Susy Moniz sworn January 13, 2020, and on reading the consent of BDO Canada Limited to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, but excluding the Excluded Assets (collectively, the "Property"). For greater certainty, the term "Property" includes the Real Property and all proceeds thereof, but excludes the Excluded Assets.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- 3 -

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or

- 4 -

in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

- (l) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- 5 -

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the

- 7 -

Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's 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 Receiver's 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 Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the

- 8 -

written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (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 THE RECEIVER

11. THIS COURT ORDERS that 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 Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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 Debtors 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current 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 Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees or until such employees are terminated by operation of law. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such

- 10 -

information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver'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.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program*

Act. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice in Bankruptcy and Insolvency.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such

- 12 -

period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "C" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/sci/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

- 13 -

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute 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 facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile 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.

GENERAL

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

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

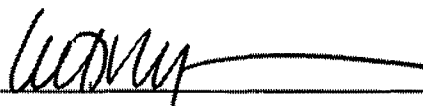
29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, 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.

30. THIS COURT ORDERS that the Receiver 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 Receiver 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.

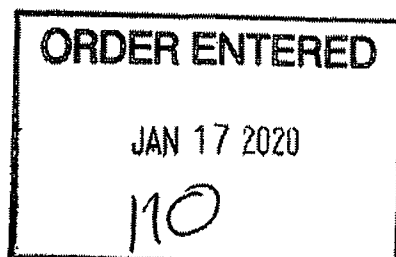
- 14 -

31. THIS COURT ORDERS that the Bank shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Bank's 'security or, if not so provided by the Bank's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

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



Justice, Ontario Superior Court of Justice,
In Bankruptcy and Insolvency



SCHEDULE "A"**REAL PROPERTY**

The property known municipally as 400 South Edgeware Road, St. Thomas, Ontario and legally described as:

- a. PT LT 8 1ST Range South Edgeware Road Yarmouth PT 1 & 2 11R6493; T/W E230839, E230840, E230841; S/T E378042; St. Thomas (PIN 35163-0288 (LT));
- b. PCL 8-2 SEC YAR-SER; PT LT 8 Range South Of Edgeware Rd Yarmouth PT 2 11R153; S/T LT37577; St. Thomas (PIN 35163-0283 (LT)).

SCHEDULE "B"
EXCLUDED ASSETS

The following assets in the possession of the Debtors are excluded from the Property, as defined in this Appointment Order:

1. M710iC/50 R30iB Plus MH Robot
 - a. Serial Numbers:
 - i. Fnumber: 217089
 - ii. Mechanical Unit: R18102621
 - iii. Controller: E18130024
2. M710iC/50 R30iB Plus MH Robot
 - a. Serial Numbers:
 - i. Fnumber: 209248
 - ii. Mechanical Unit: R17905001
 - iii. Controller: E1793196
3. R2000iC/125L Six Axis Robot for MH
 - a. Serial Numbers:
 - i. Fnumber: F226426
 - ii. Mechanical: R18802862
 - iii. Controller: E18830031
4. ENGEL Injection Moulding Machine duo 17060/2200 US
 - a. Serial Number: 228136

- 2 -

SCHEDULE "C"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited , the receiver (the "Receiver") of the assets, undertakings and properties Sle-Co Plastics Inc., Sle-Co Properties Inc. and 1142024 Ontario Inc. acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, including the Real Property and excluding the Excluded Assets as defined in the Order (as defined below) (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice In Bankruptcy and Insolvency (the "Court") dated the ___ day of January, 2020 (the "Order") made in an action having Court file number 35-2220172T has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded daily after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

- 3 -

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

**BDO CANADA LIMITED, solely in its
capacity as Receiver of the Property, and
not in its personal capacity**

Per: _____

Name:

Title:

ROYAL BANK OF CANADA

-and-

SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC. and 1142024
ONTARIO INC.

Plaintiff

Defendants

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at
London, Ontario

APPOINTING ORDER

Harrison Pensa ^{LLP}
Barristers and Solicitors
450 Talbot Street, 1st Floor
P.O. Box 3237
London, Ontario N6A 4K3

Timothy C. Hogan (LSUC #36553S)
Tel: (519) 679-9660
Fax: (519) 667-3362

Solicitors for the Plaintiff
176723/kwe

110

TAB B

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY and INSOLVENCY**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

**SLE-CO PLASTICS INC.
SLE-CO PROPERTIES INC, and 1142024 ONTARIO INC.**

Respondents

**FIRST REPORT TO THE COURT SUBMITTED BY BDO CANADA LIMITED,
IN ITS CAPACITY AS RECEIVER OF
SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC.
AND 1142024 ONTARIO INC.**

June 1, 2020

Table of Contents

1. Introduction and Background	1
2. Terms of Reference	3
3. Purpose of the Receiver's First Report.....	4
4. Receiver's Activities	6
5. Sale of the Sle-Co Assets	17
6. Statement of Receipts and Disbursements of the Receiver.....	21
7. Fees and Disbursements of the Receiver and Counsel to the Receiver	25
8. Recommendations	27

Appendices

- Appendix A** - Appointment Order dated January 17, 2020
 - Appendix B** - First Report of the Proposed Receiver dated January 13, 2020
 - Appendix C** - Sle-Co Asset Sale package
 - Appendix D** - Agreement of Purchase and Sale (redacted) between BDO Canada Limited, Court Appointed Receiver of Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc. and Infinity Asset Solutions Inc.
 - Appendix E** - Statement of Receipts and Disbursements for the period January 17, 2020 through April 30, 2020. (CAD and USD accounts)
 - Appendix F** - Fee Affidavit of Stephen Cherniak for the interim account of BDO Canada Limited as Receiver sworn May 25, 2020
 - Appendix G** - Fee Affidavit of Kyle Plunkett for the interim account of Aird & Berlis LLP sworn June 1, 2020
-

1. Introduction and Background

1.1 Introduction

- 1.1.1 This report (this “**First Report**”) is submitted by BDO Canada Limited (“**BDO**”), in its capacity as Court-appointed receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Sle-Co Plastics Inc. (“**Plastics Inc.**” or the “**Company**”), Sle-Co Properties Inc. (“**Properties Inc.**” and, together with Plastics, “**Sle-Co**”) and 1142024 Ontario Inc. (“**114**” and, together with Sle-Co, the “**Companies**”), including the real property municipally known as 400 South Edgeware Road, St. Thomas, Ontario (the “**Real Property**”), but excluding certain machinery assets leased from HSBC Bank Canada (“**HSBC**”) (the “**Excluded Assets**”).
- 1.1.2 Upon application by Royal Bank of Canada (“**RBC**”), BDO was appointed as the Receiver by the Order of The Honourable Mr. Justice McArthur of the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the “**Court**”) dated January 17, 2020 (the “**Appointment Order**”). A copy of the Appointment Order is attached as **Appendix A** to this First Report.

1.2 Background

- 1.2.1 Prior to its bankruptcy (described below), Plastics Inc. was a Tier 2 automotive parts supplier serving original equipment manufacturers for both interior and exterior injection moulded plastic parts, and also produced certain injection moulded and assembled consumer products. Plastics Inc. operated from the 145,000 square foot industrial premises that comprises the Real Property.
- 1.2.2 Plastics Inc. was considered a Tier 2 supplier, however, it shipped certain automotive parts directly to the OEM vehicle assembly plant on behalf of its customer, the Tier 1 supplier.
- 1.2.3 Mr. Jeffrey Slegers (“**Mr. Slegers**”) is the owner of the shares of 114. The Receiver understands that 114 is the holding company that owns the shares of the Company, and that Properties Inc. is the real estate holding company that owns the Real Property on which Plastics Inc.’s business operated. The Receiver further understands that Mr.

Sleegers is the sole officer and director of the Companies, but was not currently active in the day to day operations at the time of the appointment of the Receiver.

- 1.2.4 Prior to its appointment as the Receiver, BDO, in its then capacity as the proposed Receiver (in such capacity, the “**Proposed Receiver**”), submitted a report to the Court dated January 13, 2020 (the “**Proposed Receiver’s Report**”). A copy of the Proposed Receiver’s Report is attached as **Appendix B**.
- 1.2.5 As noted above, on January 17, 2020, Mr. Justice McArthur granted the relief sought by RBC and granted the Appointment Order over all of the assets, undertakings and properties of the Companies, including the Real Property, but save and except for the Excluded Assets leased from HSBC (collectively, without the Excluded Assets, the “**Property**”).
- 1.2.6 The Excluded Assets consist of an Engel Injection Moulding Machine duo 17060/2200 US and three Fanuc robots and are set out in Schedule B to the Appointment Order.
- 1.2.7 Plastics Inc. filed a Notice of Intention to Make a Proposal, pursuant to s. 50.4 (1) of the *Bankruptcy and Insolvency Act* on November 5, 2019 (the “**NOI**”), in respect of which BDO was named as the proposal trustee (in such capacity, the “**Proposal Trustee**”), and the time to file the proposal was extended by Court Order to January 18, 2020. Plastics Inc. did not file a proposal and was deemed to have filed an assignment in bankruptcy following January 18, 2020 and BDO was appointed as the Trustee in Bankruptcy of Plastic Inc.’s Estate (in such capacity, the “**Trustee**”).
- 1.2.8 The Trustee received a legal opinion from its counsel, Aird & Berlis LLP (“**A&B**”), confirming, subject to the usual assumptions and qualifications of an opinion of such nature, that valid and perfected security interests in Plastics Inc.’s Property had been granted in favour of RBC, and that such security interests rank in priority to the Trustee’s interests therein.

2. Terms of Reference

- 2.1 In preparing this First Report, the Receiver has relied upon unaudited and draft, internal financial information obtained from the Companies' books and records and discussions with management and staff (the "Information"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information and expresses no opinion, or other form of assurance, in respect of the Information.

3. Purpose of the Receiver's First Report

- 3.1 This First Report is filed:
- (a) to provide this Court with information about:
 - (i) the Receiver's activities since the date of the Appointment Order;
 - (ii) the process undertaken by the Receiver with respect to the marketing and sale of the Property;
 - (iii) the Receiver's advice and recommendation with respect to the sale of Plastics Inc.'s machinery, equipment and remaining inventory (the "**Business Assets**"); and
 - (iv) the Receiver's proposed marketing and sale process with respect to the Real Property (the "**Real Property Sale Process**").
 - (b) in support of the Receiver's motion for Orders:
 - (i) approving an agreement of purchase and sale made as of April 21, 2020 (the "**APS**") between the Receiver, as seller, and Infinity Asset Solutions Inc. ("**Infinity**"), as purchaser, for the purchase by Infinity of the Business Assets, and authorizing and directing the Receiver to enter into and complete the transaction contemplated by the APS (the "**Infinity Transaction**");
 - (ii) sealing the Confidential Supplement to the First Report dated June 1, 2020 and all appendices thereto (the "**Confidential Supplement**") filed with the Court from the public record until the Infinity Transaction has been completed;
 - (iii) vesting in Infinity, all of Plastics Inc.'s right, title and interest in and to the Business Assets, free of all encumbrances;
 - (iv) approving the Proposed Receiver's Report;
 - (v) approving the First Report, the Confidential Supplement and the activities and conduct of the Receiver described herein and therein;
 - (vi) approving the Real Property Sale Process;

- (vii) approving the Receiver's Statement of Receipts and Disbursements for the period January 17, 2020 to April 30, 2020 (the "**Statement of Receipts and Disbursements**");
- (viii) approving BDO's accounts for professional fees and disbursements as Receiver (the "**BDO Fees**"); and
- (ix) approving the fees and disbursements of A&B, counsel to the Receiver ("**A&B Fees**" and, together with the BDO Fees, the "**Professional Fees**").

4. Receiver's Activities

Appointment

- 4.1 Following the filing of the NOI, the Companies commenced a process for the sale of the Property. The Proposed Receiver's Report outlined this sale process in detail, noting, amongst other things, that an offer had been received as a result of the sale process, but that if a satisfactory agreement could not be negotiated, the Proposed Receiver would proceed with an orderly wind-down of Plastics Inc.
- 4.2 The Company and the Proposal Trustee were unable to negotiate a satisfactory agreement with the party that submitted the offer prior to the granting of the Appointment Order.
- 4.3 At the time of the Receiver's appointment and Plastics Inc.'s bankruptcy, Plastics Inc. supplied three major customers (the "**Major Customers**"), as outlined below:
1. Aisin Canada Inc. ("**Aisin**") – Plastics Inc. moulded and sub-assembled the centre pillar garnish part for the Toyota RAV4 model and direct-shipped parts to Toyota assembly plants in Woodstock and Cambridge, Ontario;
 2. INOAC Interior Systems LLC ("**Inoac**") – Plastics Inc. moulded and sub-assembled the interior tailgate panel for the Toyota RAV4 model and direct-shipped parts to Toyota assembly plants in Woodstock and Cambridge, Ontario; and
 3. Clek Inc. ("**Clek**") – Under a manufacturing and supply agreement, Plastics Inc. moulded the major components and assembled Clek's "Foonf" and "Filo" model convertible child car seats and shipped finished child seats to Clek retail customers.
- 4.4 Under the orderly wind-down plan contemplated by the Proposed Receiver, production would need to be continued for a limited period of time in order for Plastics Inc.'s customers to transition production to new suppliers without interruption to vehicle production and to facilitate the collection of accounts receivable by the Receiver.

- 4.5 Upon the granting of the Appointment Order, the Receiver attended at the Real Property to serve a copy of the Appointment Order on the senior management of Plastics Inc., namely Mr. Eric Hoekstra ("**Mr. Hoekstra**"), the Operations Manager/CEO, and Mr. John Asma ("**Mr. Asma**"), the Chief Financial Officer.
- 4.6 The Receiver reviewed its plan to wind-down production and liquidate the assets of Sle-Co with Mr. Hoekstra, Mr. Asma and other management personnel (the "**Management**"). In view of the termination of Plastics Inc.'s employees by the pending bankruptcy of Plastics Inc., Management issued records of employment ("**ROE's**") to the former employees, and the Receiver retained certain Management and other previously-salaried and hourly personnel as independent contractors (the "**Independent Contractors**") under term and task agreements. A total of 125 such Independent Contractors were retained to assist with the wind-down of production at remuneration rates consistent with those previously in place.
- 4.7 The Receiver arranged for all salaries and wages earned prior to the appointment of the Receiver to be paid by direct deposit from Plastics Inc.'s bank account in order to preserve the labour force required to complete production and protect receivables. The Receiver arranged for the processing of post-receivership payroll to be transferred to the Receiver's bank account and the fees of the Independent Contractors were paid on a weekly basis by direct deposit. All vacation pay outstanding at the date of the receivership to both salaried and hourly personnel was paid by the Receiver and a benefits plan underwritten by Great West Life / Canada Life was continued in consultation with RBC.
- 4.8 The Companies' existing insurance consisted of four policies placed by Marsh Canada Inc. ("**Marsh**") with several insurers for property, liability (two policies) and machinery breakdown coverages. The Receiver advised Marsh of its appointment and directed Marsh to add the Receiver to the policies as a named insured. The policy premiums had been financed under an installment contract with First Insurance Funding of Canada ("**FIF**"). The Receiver advised FIF of its appointment and arranged for monthly installments due under the contract to be paid from the Receiver's bank account.

Production / Customers

- 4.9 The Receiver arranged through the Independent Contractors for the continued production of parts/finished goods for the Major Customers. Continued production utilized and reduced some raw material (bulk resin) and component parts inventory on hand. Some resin and component parts were purchased by the Receiver, mostly for Clek production which was continued for a longer duration. Discussion of the arrangements with the Major Customers and other customers is provided below.
- 4.10 Aisin – Aisin production continued for approximately one week following the Receiver's appointment, following which arrangements were made by Aisin to re-locate certain production equipment owned by Aisin, but located on the Real Property, and its moulds/tooling to another Aisin facility. In conjunction with the transition, Aisin purchased certain usable resin and components parts inventory from the Receiver. Outstanding accounts receivable, both pre and post receivership, were reconciled and paid in full. On January 25, 2020 Aisin made a final payment to the Receiver of USD \$288,422.
- 4.11 Inoac – Inoac production continued for approximately one week following the Receiver's appointment, following which arrangements were made by Inoac to re-locate its moulds/tooling to another Inoac facility. In conjunction with the transition, Inoac purchased certain usable resin and components parts inventory from the Receiver. Outstanding accounts receivable, both pre and post receivership, were reconciled and paid in full. On January 27, 2020 Inoac made a final payment to the Receiver of USD \$556,520.
- 4.12 Clek – Upon the filing of the NOI on November 5, 2019, Management of the Companies advised Clek of the filing and the sale process to be undertaken by the Companies and the Proposal Trustee, as outlined in the Proposed Receiver's Report. In subsequent discussions with Management and the Proposal Trustee, Clek was advised that there could be no assurance that a buyer of Sle-Co as a going concern would emerge. Plastics continued to supply Clek with approximately 800 to 1,000 car seats per week, billed weekly in USD. Completed car seats were warehoused at Sle-Co, prior to shipment. Payment terms were 60 days. There were ongoing discussions between Management and Clek, including a telephone call with the Proposal Trustee on December 13, 2020, that in the event the NOI sale process were not successful

and the Receiver appointed, the Receiver would only be willing to continue production for a limited period of time to allow for Clek to transition production.

- 4.13 On January 17, 2020, the Receiver advised Clek by telephone of its appointment. Clek was advised that the Receiver would continue production for a short period of time and it would need to accelerate the re-sourcing of its car seat production. Based on the discussions between Management, the Proposal Trustee and Clek, and to avoid immediate disruption to Clek's business, the Receiver retained sufficient Independent Contractors to continue production of car seats. If production were stopped, even for a short period of time, it would be difficult to retain labour and resume supply. Following the appointment of the Receiver, Mr. Hoekstra met with representatives of Clek during the week of January 20 – 24, 2020 and a plan was developed whereby 5,000 car seats would be produced over a five to six week period and production would cease by no later than February 28, 2020 (the "**Build-Out**"). At the time of the Receiver's appointment, Clek was a week or two behind on its 60 day payment terms and approximately eight weeks of production was outstanding as accounts receivable, including reduced production over the Christmas holiday period.
- 4.14 Once the Build-Out was in progress, certain disputes arose between the Receiver and Clek. In an effort to avoid litigation and potential delays and disruption to both Clek's business and the Receiver's mandate, representatives of Clek and the Receiver met in person on February 28, 2020 at the offices of the Receiver in Kitchener, Ontario. At this meeting a resolution was reached between the parties, the key terms of which are as follows:
- (a) all outstanding invoices to Clek for pre-receivership production by Plastics Inc. would be offset (and not paid) by Clek against damages allegedly caused by Plastics Inc.'s insolvency. These invoices totalled USD \$675,896, inclusive of HST;
 - (b) Clek would immediately pay in full all invoices for car seats produced and invoiced subsequent to the appointment of the Receiver. These invoices totalled USD \$838,731.95, inclusive of HST. Upon payment of this amount, Clek would commence removal of all moulds/tooling owned by Clek and all finished goods from the Real Property; and

- (c) Clek would purchase all remaining component parts inventory at a price to be negotiated between the Receiver and Clek.
- 4.15 On February 28, 2020, the Receiver, Clek and RBC executed an agreement reflecting the above points that included a mutual release of all parties. On March 2, 2020, Clek paid the Receiver the amount of USD \$838,731.95 by wire transfer.
- 4.16 On March 6, 2020 the Receiver and Clek reached an agreement for the purchase by Clek of the component parts inventory and Clek paid the Receiver a further CAD \$95,000. Clek completed the removal of moulds/tooling and inventory during the week of March 9 - 13, 2020.
- 4.17 Magna Closures Inc. – During 2019, the Receiver understands that Plastics Inc. arranged for moulds/tooling to be produced by HYS International Limited (“HYS”) in China, to be used by Plastics Inc. to produce automotive parts for Magna Closures Inc. (“Magna”) under a future program. The Receiver understands that Plastics Inc. had made certain payments to HYS, but the tooling had neither been completed, nor shipped. With the assistance of Mr. Asma, the Receiver’s legal counsel and internal legal counsel for Magna finalized an agreement and release whereby, in substance, Magna would pay certain amounts owed to Plastics Inc., assume Plastics Inc.’s obligations to HYS and take possession of the tooling upon completion. This agreement was finalized on February 28, 2020.
- 4.18 Other customers – Moulds/tooling owned by several other current and former automotive customers (“Other Customers”) were located on the Real Property. In view of the wind-down and pending closure of Plastics Inc., for several customers the Receiver arranged for the production of a specified quantity of parts for current vehicle production or ongoing parts and service inventory. These Other Customers paid outstanding invoices from Plastics Inc. and/or the Receiver, and moulds/tooling were released to them. Other Customers with no part production requirements, but outstanding invoices from Plastics Inc., were required to pay amounts owing to Plastics Inc. prior to taking possession of moulds/tooling. Other Customers included F & P Mfg. Inc., Howa Canada Manufacturing Inc., L’équipe Monteur / Vuteq Mexico, Magnesium Products and Linamar Corporation.
- 4.19 The Receiver and Management reduced Independent Contractor levels as

automotive production was completed, but continued to retain approximately 75 Independent Contractors through February 2020. As noted, Clek production ceased on February 25, 2020, and on Friday February 28, 2020 arrangements with the majority of the remaining Independent Contractors were terminated. Staffing was reduced to approximately ten Independent Contractors, and subsequently further reduced during March 2020.

WEPPA

- 4.20 Based on a schedule of information prepared by Plastics Inc.'s Human Resources Manager and reviewed by the Receiver, the Receiver provided information to the former employees of Plastics to submit claims under the *Wage Earner Program and Protection Act* ("**WEPPA**"). In all, the Receiver prepared and submitted information for 156 employees and understands that substantially all claims were paid by Service Canada in early March 2020.

Canada Revenue Agency

- 4.21 The Receiver arranged for 2019 and 2020 T4's to be issued to former employees and electronically submitted to Canada Revenue Agency ("**CRA**").
- 4.22 The Receiver has had several discussions with representatives of CRA regarding Plastics Inc.'s CRA accounts.
- 4.23 The Receiver understands that Plastics Inc. incurred significant arrears of payroll source deductions. According to the 2019 T4 Summary and 2020 T4 Summary submitted by the Company, unremitted source deductions total \$1,996,365, of which \$1,487,697 represents a potential deemed trust claim by CRA.
- 4.24 CRA advised the Receiver that numerous HST returns were not filed by the Company, dating to May 1, 2019. The Receiver has not yet arranged for the returns to be prepared and it has not yet been determined whether there is a further liability to CRA for unremitted HST.
- 4.25 The Receiver obtained an HST account in the name of the Receiver and has remitted HST collected on its sales, less input credits.
- 4.26 There are other outstanding matters with CRA that may partly offset Plastics Inc.'s

liability for source deductions, as outlined below:

1. the Receiver understands that Plastics Inc. engaged Business Improvement Group (“**BIG**”) to prepare and file Scientific Research and Experimental Development Tax Credit (“**SRED**”) applications for its 2018 and 2019 fiscal years. The Receiver authorized BIG to continue to advance the SRED applications and former Sle-Co employees assisted BIG in compiling additional information in support of the claims. Representatives of BIG, Management and CRA met onsite at the Sle-Co facility on February 27, 2020. Based on this meeting, BIG understands that CRA considers the projects reviewed to be SRED eligible, with confirmation of the scope of expenses to be completed. The amount claimed by Plastics Inc. for 2018 and 2019 is \$300,127. Plastics Inc. also submitted a claim for fiscal 2017 in the amount of \$248,368. The Receiver understands that a significant portion of the claim was ruled by CRA to not qualify, but CRA has been unable to confirm the portion that is still under review; and
2. draft Plastics Inc. financial statements for the year ended April 30, 2019 (“**Fiscal 2019**”) indicate a net loss, before income taxes of \$11,002,961. The Receiver understands that Plastics Inc. was profitable and paid income taxes in prior years. The Receiver intends to engage the Companies’ external accountants to prepare income tax returns for Fiscal 2019, which would include the carry back of these losses, to the extent possible, against income taxes paid in prior years. Management and the external accountants’ preliminary estimate of the income taxes recoverable by the loss carry back is approximately \$830,000.

Lessor – Cisco Systems

- 4.27 Plastics Inc. leased telecommunications and data equipment from Cisco Systems Capital Canada Co. (“**Cisco**”) under a lease dated November 18, 2018.
- 4.28 A&B has provided an independent legal opinion dated March 18, 2020 that, subject to the customary assumptions and qualifications, Cisco has valid and enforceable security over the leased assets, and that such security interest ranks in priority to the Trustee’s interests therein. The Receiver is satisfied that the Cisco lease meets the factual requirements for a purchase money security interest.

- 4.29 The Receiver has corresponded with De Lage Landen Financial Services Canada Inc. (“**De Lage**”), which the Receiver understands administers the Cisco contract, and will make arrangements for De Lage to recover the leased equipment when Covid-19 business restrictions are lifted in Ontario to permit same.

Lessor – Dell Canada

- 4.30 Plastics Inc. leased computer equipment from Dell Financial Services Canada (“**Dell**”) under a lease dated August 7, 2018.
- 4.31 A&B has provided an independent legal opinion dated March 18, 2020 that, subject to the customary assumptions and qualifications, Dell has valid and enforceable security over the leased assets, and that such security interest ranks in priority to the Trustee’s interests therein. The Receiver is satisfied that the Dell lease meets the factual requirements for a purchase money security interest.
- 4.32 The Receiver has initiated correspondence with Dell, but not yet received a response.

Other

- 4.33 For Plastics Inc. and Properties Inc., the Receiver sent the required Notices of Receiver pursuant to Section 245 and Section 246 of the *Bankruptcy & Insolvency Act* to the Trustee and the Official Receiver on January 31, 2020. For 114, the Receiver sent these notices to the Official Receiver on February 13, 2020.

Current

- 4.34 The Receiver has arranged for the continuation of security and fire system monitoring from two different service providers. Utility and certain required telecommunications accounts have been transferred into the name of the Receiver.
- 4.35 The Receiver currently retains two Independent Contractors for daily inspections of the plant, providing access to outside parties and other wind-down and clean-up related tasks.

Great Lakes Trim Inc.

- 4.36 Great Lakes Trim Inc. (“**GLT**”) is a trade supplier to Plastics, located in Williamsburg, Michigan and listed on the Statement of Affairs in the bankruptcy of Plastics as a

creditor in the amount of \$66,904.32. GLT was included in the mailing to the creditors by the Proposal Trustee following the filing of the NOI on November 5, 2020. Mr. Mike McNulty ("**Mr. McNulty**"), the President of GLT had several telephone calls and email exchanges with the Proposal Trustee and expressed interest in purchasing the assets of Sle-Co. McNulty was provided with access to the electronic data room established by the Proposal Trustee, which included draft financial statements for Fiscal 2019 (the "**Fiscal 2019 FS**").

- 4.37 Following the appointment of the Receiver, McNulty initiated further email correspondence with the Receiver in which the Receiver outlined that, in view of the amount of CRA source deductions and secured creditor indebtedness, there may not be funds available for distribution to unsecured creditors.
- 4.38 On April 13, 2020, Mr. Alan Agemy CPA ("**Mr. Agemy**"), the Controller of GLT, emailed the Receiver with a list of numerous questions for response. While certain questions related to the receivership and could be readily answered, other questions appeared to be derived from the notes to the fiscal 2019 FS and were related to such issues as the status of guarantees of RBC's indebtedness by Mr. Slegers and related companies, Mr. Slegers' personal residence and Mr. Slegers' life insurance policies. Additionally, the purpose of other questions was unclear to the Receiver, making it difficult for the Receiver to provide a response. This gap may reflect differences in understanding of U.S. versus Canadian insolvency legislation.
- 4.39 With the Receiver having nearly completed its sale process for the Business Assets and taking into account the significant impact on economic conditions of the COVID-19 pandemic, it was now becoming clearer that there would likely be a shortfall to RBC as the primary secured creditor of Sle-Co. In further emails, the Receiver advised Mr. Agemy of this, and the Receiver was unwilling to incur professional time, ultimately at the cost of RBC, to provide a detailed response to the list of questions. Mr. Agemy and Mr. McNulty took issue with this position. The Receiver agreed to add GLT to the service list for the receivership and indicated that the First Report would address those questions that fall within the scope of the receivership. Accordingly, comments on the issues raised by GLT are presented below:
1. Fiscal 2019 FS and the accompanying Note 5 for Related Party Transactions indicate amounts owing from Properties Inc. of \$2,618,887. Properties Inc. is

included in the Appointment Order and the Receiver understands its only asset is the Real Property. The Receiver understands that the amounts owing arose from leasehold improvements to the Real Property that were funded by Plastics Inc., as tenant. It is the Receiver's intention to sell the Real Property, subject to Court approval, and that the net proceeds will be distributed to secured creditors of Properties Inc., including RBC and construction lien claimants, also with the approval of the Court. The Receiver does not anticipate that there will be any repayment of the \$2,618,887 from Properties Inc. to Plastics Inc., as it appears unlikely that sufficient proceeds can be realized to satisfy the claims of secured creditors of Properties Inc. in full.

2. Fiscal 2019 FS and the accompanying Note 5 for Related Party Transactions indicate amounts due to 114 of \$3,553,894. 114 is also included in the Appointment Order and is effectively a holding company that owns the common shares of Plastics Inc. and Properties Inc.. The Receiver understands the amounts due arose from cash advanced from 114 to Plastics Inc. to fund costs of the new premises and re-location. There would be no payments from the proceeds of Plastics Inc.'s assets against the amounts due to 114 until the secured creditors of Plastics Inc. are paid in full. As discussed in this First Report, it is not anticipated that there will be any distribution to unsecured creditors of Plastics Inc.
3. As outlined earlier in this First Report, prior income taxes paid may be recoverable from the carry back of Plastics Inc.'s Fiscal 2019 losses. The Receiver expects these amounts would be offset by CRA against source deduction amounts owed by Plastics Inc. The Receiver understands that no further incomes taxes are available to be recovered from any losses incurred by Plastics Inc. in the fiscal year to the date of bankruptcy.
4. On the 114 financial statements for the year ended April 30, 2018, the Receiver noted an asset for Cash Surrender Value of Life Insurance in the amount of \$861,862. The current status of the policy is not known and preliminary discussions with Mr. Slegers in February 2020 were not conclusive. The Receiver will contact the insurer to confirm details of the policy.

5. The Receiver understands that RBC would reserve its rights to seek repayment of any shortfall on its indebtedness under guarantees provided by Mr. Slegers or other related companies that are not included in the Appointment Order, and this process would be outside the receivership.

5. Sale of the Sle-Co Assets

- 5.1 The assets of Sle-Co are comprised of the Business Assets (owned by Plastics Inc.) and the Real Property (owned by Properties Inc.). All collectible accounts receivable and substantially all the inventory have been realized upon by the Receiver.

Receiver's Sale Process

- 5.2 The Appointment Order authorizes the Receiver to market any or all of the Property of Sle-Co, including advertising and soliciting offers in respect of the Property.
- 5.3 The Receiver conducted an invitation for offers process in an effort to locate a buyer for all of the Property of Sle-Co, en bloc, including the Real Property (the "**Sale Process**"). Details of the invitation for offers process conducted by the Receiver are provided below.
- (a) advertisements were placed in each of the Globe and Mail (National edition), and The London Free Press on February 21, 2020;
 - (b) the Receiver established a deadline for offers of Tuesday March 24, 2020 at 5:00 p.m.; and
 - (c) the asset information package that was provided to interested parties is attached as **Appendix C**.
- 5.4 A total of 38 parties expressed interest in obtaining detailed information about the Sale Process. Since the Receiver was in the process of winding-down operations, and no financial information was made available by the Receiver, interested parties were not required to execute a confidentiality agreement.
- 5.5 The Receiver conducted viewings of the assets in an open house style format on March 4, 2020 and March 11, 2020.
- 5.6 A total of eight offers were received for the Property. However, no offer was received for all of the Property, en bloc, that was acceptable to the Receiver. The details of the various offers received through the Sale Process are contained in the Confidential

Supplement.

The Infinity Transaction

- 5.7 As a result of the Sale Process, the Receiver and Infinity entered into the APS, under which Infinity will purchase the Business Assets from the Receiver and such assets will be removed from the Real Property prior to November 30, 2020 (or such other date as may be mutually agreed upon). The Receiver understands that Infinity intends to conduct a sale of the Business Assets from the Real Property, by public auction or private sale, and has established a tentative sale date of September 22, 2020, subject to Court approval of the Infinity Transaction.
- 5.8 Infinity has paid a deposit to the Receiver in the amount of 20% of the purchase price (the “**Purchase Price**”). The balance of the Purchase Price is to be paid on closing, with the closing date defined in the APS.
- 5.9 It is the Receiver’s view that the maximum recovery for stakeholders will be achieved by completing the Infinity Transaction under the APS in respect of the Business Assets and by completing a separate sale of the Real Property.
- 5.10 A redacted copy of the APS is attached as **Appendix D**. An unredacted copy of the APS is attached as **Appendix A** to the Confidential Supplement.
- 5.11 In March 2019, BDO, then acting in the capacity as a consultant to RBC, commissioned an appraisal of Plastics Inc.’s machinery and equipment by Infinity (the “**Infinity Appraisal**”). However, the Infinity Appraisal is not considered relevant for analysis, for the reasons outlined below, and is not included in the Confidential Supplement.
- (a) the Infinity Appraisal included several pieces of equipment and machinery that were not inspected for purpose of the appraisal and could not be located by the Receiver;
 - (b) the Infinity Appraisal included some assets that were either rented from third parties or form part of the Real Property;
 - (c) the Infinity Appraisal was prepared on an Orderly Liquidation Value (“**OLV**”) basis; and

- (d) the Infinity Appraisal was prepared in March 2019, which was 12 months prior to the Sale Process. Even under normal business conditions there could be a material fluctuation in machinery and equipment values over a 12 month period. In this situation, the COVID-19 pandemic escalated dramatically during the Sale Process and the Province of Ontario directive for the closure of all non-essential business was issued just prior to the offer deadline. Immediate economic conditions and longer term economic uncertainty have impacted the machinery and equipment values.
- 5.12 As noted, eight offers were received for the Business Assets, including the Infinity offer. The Receiver's analysis of the offers received from the Sale Process is contained in the Confidential Supplement.
- 5.13 The Receiver requests that this Court seal the Confidential Supplement in order to avoid the negative impact the dissemination of the confidential information contained in the Confidential Supplement would have if the Infinity Transaction is not completed. Publication of the terms would undermine the fairness of the resumption of the sale process that may be required if the Infinity Transaction is not completed.
- 5.14 The Receiver sought the input of and concurrence of RBC during the review of the offers received and negotiation process with offerors. The Receiver understands that RBC supports the Infinity Transaction.
- 5.15 It is the Receiver's view that the Infinity Transaction is appropriate in the circumstances.
- 5.16 The Receiver is satisfied that the Business Assets were properly exposed to the relevant market place, that the offer process was conducted in a fair and commercially reasonable manner and the Infinity Transaction represents fair value for the Business Assets.
- 5.17 The Receiver is of the view that it has maximized the realization available for the Business Assets and that the Infinity Transaction is commercially reasonable in all respects. Given the foregoing, the Receiver is of the view that the Infinity Transaction is in the best interests of the stakeholders.
- 5.18 The Receiver recommends that this Court approve the completion of the Infinity Transaction.

The Real Property

- 5.19 The Receiver understands that the Real Property comprises an approximately 145,000 square foot industrial building located on a 16 acre parcel of land in St. Thomas, Ontario, with a rail spur to an active CP Rail line, 15 storages silos, ceiling clearances of up to 44 feet and other attributes.
- 5.20 The Receiver commissioned an appraisal of the Real Property from Metrix Realty Group of London, Ontario ("**Metrix**").
- 5.21 The Receiver understands that previous Phase II Environmental Site Assessments undertaken by Sle-Co identified higher concentrations of petroleum hydrocarbons in an area of soil located within the Real Property. The Receiver engaged the same environmental consulting firm to prepare a cost estimate for the soil remediation.
- 5.22 Pursuant to its powers under the Appointment Order, the Receiver has entered into a listing agreement for the sale of the Real Property with Mr. Kevin MacDougall of CBRE Limited of London, Ontario ("**CBRE**").
- 5.23 Based on the Metrix Appraisal, the Receiver's review of recent comparable sales and input from CBRE, the Receiver has established a listing price of \$6,300,000.
- 5.24 Mr. MacDougall has commenced marketing, advertising and showing the Real Property to potential purchasers. However, in order to provide sufficient time for Infinity to conduct its sale and purchasers of the Business Assets from Infinity to remove equipment and machinery, the Receiver does not anticipate completing the sale of the Real Property before November 30, 2020. However, given the scale of the transaction it is likely that a purchaser of the Real Property will require a reasonable period of time to conduct its due diligence.
- 5.25 The Receiver intends to seek Court approval prior to completing a sale in respect of the Real Property.

6. Statement of Receipts and Disbursements of the Receiver

6.1 The Receiver maintains a CAD and USD account at RBC in London, Ontario. Attached as **Appendix E** is the Statement of Receipts and Disbursements redacted to exclude the deposit paid by Infinity to the Receiver pursuant to the Infinity Transaction. Details of the Receiver's receipts and disbursements are as follows:

6.2 Receipts – CAD

- a) *Sale of inventory (\$95,000.00)* — The Receiver received \$95,000 from the sale of remaining inventory to Clek.
- b) *Collection of accounts receivable (\$49,996.23)* — The Receiver collected Plastics Inc.'s accounts receivable of \$49,996.23
- c) *Cash in Bank (Sle-Co Properties Inc.) (\$18,698.41)* — The Receiver realized \$18,698.41 from the Properties Inc. bank account.
- d) *Sale of equipment (\$5,000.00)* — The Receiver sold specialized equipment to a customer for \$5,000.
- e) *Cash in Bank (Sle-Co Plastics Inc.) (\$1,744.63)* — The Receiver realized \$1,744.63 from the Plastics Inc. bank account.
- f) *Cash in Bank (1142024 Ontario Inc.) (\$1,303.74)* — The Receiver realized \$1,303.74 from the 114 bank account.
- g) *Deposit (\$)* — Infinity paid the Receiver a deposit of 20 per cent of the Purchase Price.
- h) *Transfers from USD account (\$3,271,885.42)* — The Receiver transferred CAD \$3,271,885.42 from its USD account to the CAD account at an average exchange rate of 1.376.

6.3 Disbursements - CAD

- a) *Independent Contractor payments (\$700,129.15)* – The Receiver paid \$700,129.15 to Independent Contractors.
- b) *Utilities and telecommunications (\$161,155.70)* – The Receiver paid \$161,155.70 for heat, hydro, internet and telephone services.
- c) *Receiver's Fees (\$153,700.00)* – BDO's interim accounts through February 28, 2020 in the amount \$153,700.00, exclusive of HST, have been paid from the Receiver's account and are subject to Court approval.
- d) *Insurance (\$116,757.49)* – The Receiver paid \$116,757.49 to FIF for ongoing premiums on Sle-Co's existing property, liability and machine breakdown insurance policies.
- e) *Group Benefits & WSIB (\$82,386.10)* – The Receiver paid \$75,662.49 to Great West Life / Canada Life for the continuation of the employee group benefits plan to March 31, 2020 and \$6,723.61 in WSIB premiums.
- f) *HST paid (\$65,287.10)* – The Receiver paid \$65,287.10 in HST on its disbursements.
- g) *Repairs and Maintenance (\$59,945.68)* – The Receiver paid \$59,945.68 for maintenance and repairs to machinery and the Real Property.
- h) *Equipment leases and rental (\$50,514.52)* – The Receiver paid \$50,514.52 for lease and rental payments on various equipment.
- i) *Legal Fees (\$39,973.40)* – The Receiver paid AB's interim accounts through March 31, 2020 in the amount \$39,973.40, exclusive of HST, which are subject to Court approval.
- j) *HST remitted (\$35,787.48)* – The Receiver remitted \$35,787.48 in HST collected, less input credits to February 28, 2020.
- k) *Freight and Shipping (\$17,584.74)* – The Receiver paid \$17,584.74 in shipping, freight and brokerage on purchases of raw materials and components.

- l) *Security (\$15,818.00)* – The Receiver paid \$15,818.00 for security during non-production hours.
- m) *Purchases (\$12,584.91)* – The Receiver purchased \$12,584.91 in raw materials, component parts and supplies for production.
- n) *Advertising (\$4,570.50)* — The Receiver paid \$4,570.50 for advertising of the Sale Process in the Globe and Mail and The London Free Press.
- o) *Appraisal fees (\$3,305.00)* — The Receiver paid \$3,305.00 to Metrix for an appraisal of the Real Property.
- p) *Consulting fees (\$2,500.00)* — The Receiver paid \$2,500.00 to EXP Services Inc. for preparation of a remedial work plan and cost estimate of the soil remediation.
- q) *Bank Charges (\$1,133.80)* — The Receiver paid \$1,133.80 in bank charges.
- r) *Advance to Trustee (\$1,000.00)* — The Receiver advanced \$1,000.00 to the bankrupt estate of Plastics Inc. to fund registration fees and expenses of the Trustee.

6.4 Receipts - USD

- a) *Receiver sales (\$1,127,929.98)* — Sales by the Receiver to Clek and other customers were \$1,127,929.98.
- b) *Collection of accounts receivable (\$1,028,628.02)* — The Receiver collected Plastics Inc. accounts receivable of \$1,028,628.02.
- c) *HST collected on sales (\$153,088.26)* — The Receiver collected HST of \$153,088.26 on its sales.
- d) *Cash in Bank (Sle-Co Plastics Inc.) (\$141,342.80)* — The Receiver realized \$141,342.80 from the Plastics Inc. bank account.
- e) *Sale of inventory (\$133,505.75)* — The Receiver collected \$133,505.75 from the sale of inventory.

6.5 Disbursements - USD

- a) *Purchases (\$151,209.17)* – The Receiver purchased \$151,209.17 in raw materials, component parts and supplies for production.
- b) *HST paid (\$10,459.90)* – The Receiver paid \$10,459.90 in HST on its disbursements.
- c) *Equipment leases and rental (\$2,648.11)* – The Receiver paid \$2,648.11 to HSBC for lease payments.
- d) *Transfer to Receiver's CAD account (\$2,376,838.17)* – The Receiver transferred USD \$2,376,838.17 to its CAD account at an average exchange rate of 1.376.

7. Fees and Disbursements of the Receiver and Counsel to the Receiver

- 7.1 Pursuant to Paragraph 18 of the Appointment Order, the Receiver and counsel to the Receiver shall be paid their reasonable Professional Fees in each case at their standard rates and charges. The Receiver and counsel to the Receiver have been granted a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, as security for payment of the Professional Fees.
- 7.2 Pursuant to paragraph 19 of the Appointment Order, the Receiver and counsel to the Receiver are to pass their accounts from time to time before a Judge of the Court.
- 7.3 Attached as **Appendix F** is the fee affidavit of Stephen N. Cherniak sworn May 25, 2020, containing BDO's interim accounts as Receiver to April 30, 2020. BDO's account includes professional fees incurred prior to the Appointment Order while acting as the Proposal Trustee, and in preparation for the issuance of the Appointment Order. RBC has agreed to fund BDO's fees in its capacity as the Proposal Trustee and will be the only party affected given the anticipated shortfall on its secured claim. BDO's accounts cover the following periods:
- December 23, 2019 to January 30, 2020;
 - February 1, 2020 to February 28, 2020;
 - March 1, 2020 to March 31, 2020; and
 - April 1, 2020 to April 30, 2020.
- 7.4 The Receiver's fees and disbursements to April 30, 2020, exclusive of HST, are \$285,295.58.
- 7.5 The hourly rates charged by the Receiver and its staff are commensurate with commercially reasonable rates for mid-market insolvency firms in the Southwestern Ontario region.

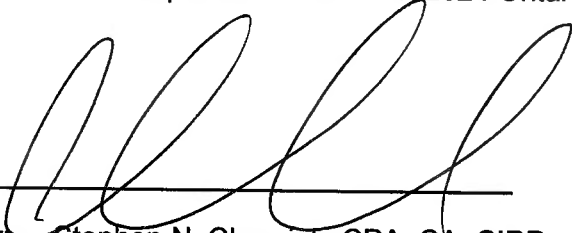
- 7.6 Attached as **Appendix G** is the fee affidavit of Kyle Plunkett sworn June 1, 2020 containing the interim account of A&B for the period to April 30, 2020.
- 7.7 A&B's fees and disbursements to April 30, 2020, inclusive of HST, are \$52,935.16.
- 7.8 It is the Receiver's opinion that the Professional Fees are fair and reasonable and justified in the circumstances and accurately reflect the work done by the Receiver and A&B in connection with the receivership during the relevant periods. The Receiver recommends approval of the Professional Fees by the Court.

8. Recommendations

8. The Receiver recommends and respectfully requests that the Court grant the relief summarized at paragraph 3.1(b) of this First Report.

All of which is respectfully submitted this 1st day of June, 2020.

BDO Canada Limited, solely in its capacity as Court-appointed Receiver of Sle-Co Plastics Inc., Sle-Co Properties Inc. and 1142024 Ontario Inc., and not in any other capacity



Per: Stephen N. Cherniak, CPA, CA, CIRP
Licensed Insolvency Trustee
Senior Vice President

40122601.2

TAB C

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE)
JUSTICE A. D. GRACE) MONDAY, THE 15TH
DAY OF JUNE, 2020

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC., and
1142024 ONTARIO INC.**

Defendants

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of certain of the assets, undertakings and properties of Sle-Co Plastics Inc. (the “**Debtor**”), Sle-Co Properties Inc. (“**Properties Inc.**”) and 1142024 Ontario Inc. (“**114 Inc.**” and, together with the Debtor and Properties Inc., the “**Debtors**”), acquired for, or used in relation to a business carried on by the Debtors, for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Infinity Asset Solutions Inc. (the “**Purchaser**”), as purchaser, dated April 21, 2020 (the “**Sale Agreement**”), a redacted copy of which is attached as Appendix “D” to the First Report of the

Receiver dated June 1, 2020 (the "First Report") and an unredacted copy of which is attached to the Confidential Supplement to the First Report dated June 1, 2020 (the "Confidential Supplement"), and vesting in the Purchaser the Debtor's right, title and interest in and to the property described as the "Purchased Assets" in the Sale Agreement (the "Purchased Assets"), was heard this day via teleconference due to the Covid-19 crisis.

ON READING the First Report and appendices thereto and the Confidential Supplement and the appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, ^{and representatives of Jeffrey Slegers} ~~for Royal Bank of Canada~~ ^{DL}, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Eunice Baltkois sworn June 4, 2020, filed,

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser, or as it may direct.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens,

executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of The Honourable Mr. Justice McArthur made January 17, 2020; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, and, for greater certainty, this Court orders that all of the Claims affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver’s Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, notwithstanding:

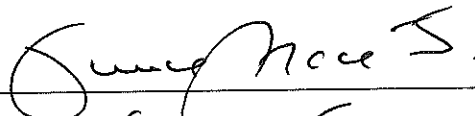
- (a) the pendency of these proceedings;

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

the vesting of the Purchased Assets in the Purchaser, or as it may direct, pursuant to this Order shall be binding on any trustee in bankruptcy that is presently, or that may be, appointed in respect of any of the Debtors and shall not be void or voidable by creditors of any of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

6. **THIS COURT 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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, 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.

7. **THIS COURT ORDERS** that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure* (Ontario), this Order is effective from the date on which it is made, and is enforceable without any need for entry and filing; provided, however, that any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be.



GRACE S.

138
28

Schedule "A" – Form of Receiver's Certificate

Court File No. 35-2220175T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC., and
1142024 ONTARIO INC.**

Defendants

RECEIVER'S CERTIFICATE

RECITALS

- I. Pursuant to an Order of The Honourable Mr. Justice McArthur of the Ontario Superior Court of Justice in Bankruptcy and Insolvency (the "**Court**") dated January 17, 2020, BDO Canada Limited ("**BDO**") was appointed as receiver (in such capacity, the "**Receiver**"), without security, of certain of the assets, undertakings and properties of Sle-Co Plastics Inc. (the "**Debtor**"), Sle-Co Properties Inc. ("**Properties Inc.**") and 1142024 Ontario Inc. ("**114 Inc.**" and, together with the Debtor and Properties Inc., the "**Debtors**"), acquired for, or used in relation to a business carried on by the Debtor, including the proceeds thereof (the "**Property**").
- II. Pursuant to an Order of the Court dated June 15, 2020, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and Infinity Asset Solutions Inc. (the



“Purchaser”), as purchaser, dated April 21, 2020 (the “Sale Agreement”), and provided for the vesting in the Purchaser of all the Debtor’s right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

22

BDO CANADA LIMITED, solely in its capacity as the Court-appointed receiver of the Debtors, and not in its personal capacity or in any other capacity

Per: _____

Name:

Title:

d

ROYAL BANK OF CANADA

-and-

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC. and
1142024 ONTARIO INC.**

Plaintiff

Defendants

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Proceedings commenced at London

APPROVAL AND VESTING ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)
Tel: (416) 865-3085
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for the Receiver

TAB D

Court File No. 35-2220175T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE)
JUSTICE *A.D. GRACE*)

MONDAY, THE 15TH
DAY OF JUNE, 2020

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC., and
1142024 ONTARIO INC.**

Defendants

ANCILLARY ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of certain of the assets, undertakings and properties of Sle-Co Plastics Inc. (the “**Debtor**”), Sle-Co Properties Inc. (“**Properties Inc.**”) and 1142024 Ontario Inc. (“**114 Inc.**” and, together with the Debtor and Properties Inc., the “**Debtors**”), acquired for, or used in relation to a business carried on by the Debtors, for an order, *inter alia*: (i) approving the First Report of the proposed Receiver dated January 13, 2020 (the “**Pre-Receivership Report**”); (ii) approving the First Report of the Receiver dated June 1, 2020 (the “**First Report**”) and the actions of the Receiver described therein, including, without limitation, the statement of receipts and disbursements appended

thereto; (iii) approving the Confidential Supplement to the First Report of the Receiver dated June 1, 2020 (the "First Confidential Supplement") and the actions of the Receiver described therein; (iv) sealing the First Confidential Supplement until closing of the Infinity Transaction (as defined in the First Report) or further Order of the Court; (v) approving the Real Property Sale Process (as defined in the First Report); and (vi) approving the fees and disbursements of the Receiver and its counsel, was heard this day via teleconference due to the Covid-19 crisis.

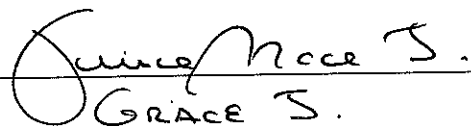
ON READING the First Report and appendices thereto (including, without limitation, the affidavits of Stephen N. Cherniak sworn May 25, 2020 and Kyle Plunkett sworn June 1, 2020 (the "Fee Affidavits")) and the First Confidential Supplement and the appendices thereto, and on hearing the submissions of counsel for the Receiver ^{and representatives of [initials], Jeffrey Slegers [initials]} and such other counsel ^{as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Eunice Baltkois sworn June 4, 2020, filed,} ^{by [initials] for Royal Bank of Canada}

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Pre-Receivership Report be and is hereby approved.

3. **THIS COURT ORDERS** that the First Report and the activities of the Receiver described therein be and are hereby approved, including, without limitation, the statement of receipts and disbursements appended thereto. ^{Provided that approval of the activities set forth in paragraph 4.14(a) thereof is hereby reserved until the motion for approval of the activities to be described in a later Report of the Receiver. [initials]}

4. **THIS COURT ORDERS** that the First Confidential Supplement and the activities of the Receiver described therein be and are hereby approved.
5. **THIS COURT ORDERS** that the First Confidential Supplement be and is hereby sealed until closing of the Infinity Transaction or further Order of the Court.
6. **THIS COURT ORDERS** that the Real Property Sale Process be and is hereby approved.
7. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as set out in the Fee Affidavits, be and are hereby approved.
8. **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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, 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.
9. **THIS COURT ORDERS** that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure* (Ontario), this Order is effective from the date on which it is made, and is enforceable without any need for entry and filing; provided, however, that any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be.


GRACE S.

ROYAL BANK OF CANADA

-and-

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC. and
1142024 ONTARIO INC.**

Plaintiff

Defendants

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Proceedings commenced at London

ANCILLARY ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)
Tel: (416) 865-3085
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for the Receiver

TAB E

ROYAL BANK OF CANADA

-and-

SLE-CO PLASTICS INC., et al.

Applicant

Respondents

June 15/20

Court File No. 35-2220172T

By teleconference,
 S. Mitra and J. Nemmers for the Receiver
 S. Cherniak and D. Fitch from BDO Canada Limited
 R. Darter for R.B.C.
 T. Slegers - in person
 no one else participating

I have reviewed the motion record of the receiver containing its first report dated June 11 2020 and the various documents referenced and appended. I have also reviewed the confidential Supplement to the first report also dated June 11, 2020 and the undated copy of the agreement of purchase and sale the receiver recommends be approved and an appendix summarizing the various offers received. RBC, the principal secured creditor, supports the motion.

Mr. Slegers, who is affected personally by the insolvency of the debtors, joined in the call. He advised that he did not know of the proposed transaction until last week. Today he provided certain comments and

40159326.1

**ONTARIO
 SUPERIOR COURT OF JUSTICE
 IN BANKRUPTCY and INSOLVENCY**

Proceedings commenced at London

MOTION RECORD
 (Returnable June 15, 2020)

AIRD & BERLIS LLP
 Barristers and Solicitors
 Brookfield Place
 181 Bay Street, Suite 1800
 Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)
 Tel: (416) 865-3085
 Fax: (416) 863-1515
 Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)
 Tel: (416) 865-7724
 Fax: (416) 863-1515
 Email: jnemers@airdberlis.com

Lawyers for the Receiver

(Court file #) - 35-2220172T

- endorsement - page 2

questions to the receiver and its counsel. Those were reviewed during the attendance.

Some related to issues other than the proposed transaction. For example, Mr. Sleepers was concerned that the receiver had entered into an agreement with Clek Inc. that allowed Clek to exercise a right of set off in relation to the sum of \$675,896^{U.S.} inclusive of U.S.T. Concessions on account of such items post-receivership are, unfortunately, commonplace but the receiver's report does not set forth a detailed explanation that might satisfy Mr. Sleepers' concern. In relation to para. 4.14(a) of the 1st report other items were mentioned too, including to be produced for a program involving Magna Closures Inc. (para. 4.17), issues involving CRA specifically relating to U.S.T. and SRD claims (paras. 4.24 and 4.26 respectively), and financial information and e-mails that are no longer accessible.

With respect to the proposed transaction, Mr. Sleepers expressed concern about the breadth of the marketing effort, the fact the proposed purchaser's pre-receivership appraisal was, to his eye, 20% too low, the fact the market is presently improving and that assets are being liquidated en bloc rather than over time and that it is impossible to formulate a firm opinion when key terms of the proposed transaction have been redacted.

I understand Mr. Sleepers' concerns. Understandably, he is anxious that receipts be maximized from all sources. As noted, his personal financial position is affected. Furthermore, his stated experience of more than thirty years demonstrates his commitment to the industry generally and business he steered specifically.

After considering the material filed, I am of the view the requested relief should be granted, subject to the one limitation specified in the order signed. To my eye the receiver has fulfilled its duties in relation to the companies in a proper and diligent and able manner and in exceedingly challenging times. Approval and vesting order and Auxiliary Order signed. They are immediately effective.

Trace S.
Trace S.

TAB F

Libro Credit Union

1142024 Ontario Inc.

Summary of Activity from Aug. 31, 2019 to Jan. 31, 2020

Account Date	601211 Debit	CAD Credit	Description	Account/Ref. Number	Cheque/Draft Number
31-Aug-19		6,214.57	Balance forward		
19-Sep-19		206,471.44	From From London Life	#B767528-9	
02-Oct-19	40,000.00		To Libro Personal chequing	93286	
01-Nov-19	20,000.00		To Libro Personal chequing	93286	
01-Nov-19	75,000.00		To Libro Bank Draft		27875
01-Nov-19	75,000.00		To Libro Bank Draft		27876
05-Dec-19		46,000.00	From RBC - 2384003 Ontario Inc.	02722-1029933	2045
10-Dec-19		37,000.00	From RBC - 2366608 Ontario Inc.	02722-1053305	998119
10-Dec-19		40,000.00	From RBC - 1142024 Ontario Inc.	02722-1052752	998153
07-Jan-20		30,800.00	From Libro - Sle-Co Plastics Inc.	527077	
07-Jan-20	156,600.00		To Libro Currrent acct	3825551	
09-Jan-20		19,088.67	From Libro - Sle-Co Plastics Inc.	527077	
10-Jan-20	20,000.00		To Libro Currrent acct	3825551	
	<u>386,600.00</u>	<u>385,574.68</u>			

Account Date	601211 Debit	USD Credit	Description	Account/Ref. Number	Cheque/Draft Number
10-Dec-19		12,800.00	From RBC - 2384003 Ontario Inc.	02722-4010948	1011
07-Jan-20	13,750.00		To Currrent acct USD (Libro)	3825551	

Notes:

Account activity > 5,000

TAB G

DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0697D3B



Agreement of Purchase and Sale Commercial

Form 500
for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 29th day of June June, 2020

BUYER: 1803299 ONTARIO INC. agree to purchase from
(Full legal names of all Buyers)

SELLER: BDO CANADA LIMITED, AS RECEIVER OF SLE-CO PROPERTIES INC., the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address 400 South Edgeware Road, St. Thomas
fronting on the north side of South Edgeware Road
in the City of St. Thomas
and having a frontage of irregular more or less by a depth of irregular more or less
and legally described as See Schedule A

Legal description of land including easements not described elsewhere (the "property")

PURCHASE PRICE: [Redacted]

DEPOSIT: Buyer submits [Redacted] Dollars (CAD\$)

by negotiable cheque payable to CBRE Limited, in Trust "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A, B, C & Confirmation of Cooperation and Representation attached hereto form(s) part of this Agreement.

1. **IRREVOCABILITY:** This offer shall be irrevocable by Buyer until 5:00 on 13th day of July, 2020 after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the 30th day of November, 2020. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S): [Signature]

INITIALS OF SELLER(S): [Signature]

THE TRADEMARK REALTOR, REALTOR, MULTIPLE LISTING SERVICES and associated logos are owned or controlled by the Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

DocuSign Envelope ID: 3A76DC09-B250-4D85-BC7D-351CC0887D38

3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices. Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: (519) 673-6948
(For delivery of Documents to Seller)

FAX No.: (519) 673-6948
(For delivery of Documents to Buyer)

Email Address: kevin.macdougall@cbre.com
(For delivery of Documents to Seller)

Email Address: randy.fisher@cbre.com
(For delivery of Documents to Buyer)

4. **CHATELS INCLUDED:**
See Schedule A

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:**
See Schedule A


6. **RENTAL ITEMS (including Lease, Lease to Own):** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:
Hot Water Tank (if applicable)

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. **HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S): 

INITIALS OF SELLER(S): 

 The trademarks REALTOR®, REALTOR®, MLS®, Multiple Listing Service® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2020, Ontario Real Estate Association ("OREA") All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard printed portion. OREA bears no liability for your use of this form.

DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0697D3B

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the day of..... See Schedule A....., 20..... (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there

are no outstanding work orders or deficiency notices affecting the property, that its present use (..... EL (Employment Land).....) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be of an end and all moneys paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.


11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.


12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, *pro dec* that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTIONS:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion of the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all moneys paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S): 

INITIALS OF SELLER(S): 

 The trademarks REALTOR®, REALTORSES®, MLS®, Multiple Listing Service® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2020, Ontario Real Estate Association (OREA). All rights reserved. This form was developed by CREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of CREA. Do not alter when printing or reproducing the standard pre-set portion. CREA bears no liability for your use of this form.

DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0697D3B

- 15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
- 16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.
- 17. **RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada; (b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
- 19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 20. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
- 22. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.
- 23. **UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
- 24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
- 25. **CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
- 26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

The trademarks REALTOR, REALTISE, MLSB, Multiple Listing Service and associated logos are owned or controlled by the Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.

© 2020, Ontario Real Estate Association (OREA). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0867D38

28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:
1803299 ONTARIO INC.
Luxandra May
June 29, 2020

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of:
IN WITNESS whereof I have hereunto set my hand and seal:
BDO CANADA LIMITED, AS RECEIVER OF SLE-CO PROPERTIES INC.
July 3, 2020

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 4:30 p.m. this 27th day of July 2020.

INFORMATION ON BROKERAGE(S)
Listing Brokerage: CBRE LIMITED (519) 673-6444
Salesperson/Broker/Broker of Record Name: KEVIN MACDOUGALL
Co-op/Buyer Brokerage: CBRE LIMITED (519) 673-6444
Salesperson/Broker/Broker of Record Name: RANDY FISHER

ACKNOWLEDGEMENT
I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.
I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.
Seller: BDO CANADA LIMITED, AS RECEIVER OF SLE-CO PROPERTIES INC.
Buyer: 1803299 ONTARIO INC.
Seller's Lawyer:
Buyer's Lawyer: Beth Mullin, McKenzie Lake Lawyer LLP
Address: 140 Fullarton Street, Suite 1800, London, ON N6A 5P2
Email: mullin@mckenzielake.com

FOR OFFICE USE ONLY
COMMISSION TRUST AGREEMENT
To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale
In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with this Transaction as contemplated in the MLS* Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS* Rules and shall be subject to and governed by the MLS* Rules pertaining to Commission Trust
DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale
Authorized to bind the Listing Brokerage: Randy Fisher

The trademarks REALTOR, REALTOR®, REALTOR Multiple Listing Service® and associated logo are owned or controlled by the Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of service they provide. Used under license.
© 2020, Ontario Real Estate Association (OREA). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited without prior written consent of OREA. Do not alter when printing or reproducing the standard printed portion. OREA bears no liability for your use of this form.
Form 900 Revised 2020 Page 5 of 8

DocuSign Envelope ID: 3A76DC09-B250-4D85-BC7D-351CC0687D3B



Schedule A

Form 500

Agreement of Purchase and Sale - Commercial

for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: 1803299 ONTARIO INC. and

SELLER: BDO CANADA LIMITED, AS RECEIVER OF SLE-CO PROPERTIES INC.

for the purchase and sale of 400 South Edgeware Road, St. Thomas

dated the 29th day of June 2020

Buyer agrees to pay the balance as follows:

1. THE PROPERTY INCLUDES

The Buyer and Seller acknowledge and agree that all 16.56 acres are included with this Agreement of Purchase and Sale.

LEGAL DESCRIPTION: PCL 8-2 SEC YAR-SER; PT LT 8 RANGE SOUTH OF EDGEWARE RD YARMOUTH PT 2 11R153; S/T LT37577; ST. THOMAS; PT LT 8 1ST RANGE SOUTH EDGEWARE ROAD YARMOUTH PT 1 & 2 11R6493; T/W E230839, E230840, E230841; S/T E378042; ST. THOMAS

2. FURTHER SUM

The Buyer agrees to pay the balance of the purchase price, subject to adjustments, by bank draft, certified cheque or wire transfer using the Large Value Transfer System to the Seller on completion of this transaction.

3. SECOND DEPOSIT

After waiver of all conditions, a second deposit (the "Second Deposit") in the amount of Five Hundred Thousand Dollars (\$500,000.00 CDN) shall be paid by the Buyer to CBRE Limited to be held in trust pending completion of this Agreement and to be credited to the purchase price on closing.

4. CLOSING DATE

The Closing of this transaction shall be within Thirty (30) days after removal of all conditions. *November 30, 2020*

5. TITLE SEARCH

The Buyer shall be allowed until 5:00 p.m. on the Fifteenth (15th) day after removal of all conditions to examine the title to the Property as contemplated under Section 8 of the pre-printed form of this Agreement of Purchase and Sale.

6. BUYER'S CONDITION

This Offer shall be conditional in favour of the Buyer for Thirty (30) days following acceptance of the offer, upon the following:

a) ENVIRONMENTAL

The Buyer, at the Buyer's expense, being satisfied with the environmental condition of the land and building. The Buyer, at its expense, may conduct an environmental inspection Phase I and / or Phase II. The Seller agrees to supply to the Buyer within five (5) business days after acceptance of this Offer to Purchase, all copies of environmental reports in the Seller's possession or control (if any). Should the Buyer hire agents or consultants, the cost and the responsibility for such work shall be for the account of the Buyer.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): *[Handwritten initials]*

INITIALS OF SELLER(S): *[Handwritten initials]*

The trademarks REALTOR, REALTOR®, REALTOR, Multiple Listing Services® are registered trademarks owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license. © 2020, Ontario Real Estate Association (OREA). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard printed portion. OREA bears no liability for your use of this form.

b) INFINITY ASSET SOLUTIONS

The Buyer negotiating with Infinity Asset Solutions with regards to the racking, Mentor Dynamics 20 ton crane, electrical panels and early occupancy, at the Buyer's sole and unfettered satisfaction and discretion.

DS
KW

[Handwritten initials]

DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351C00697D3B



Schedule A

Form 500
for use in the Province of Ontario

Agreement of Purchase and Sale - Commercial

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: 1803299 ONTARIO INC. _____, and

SELLER: BDO CANADA LIMITED, AS RECEIVER OF SLE-CO PROPERTIES INC. _____

for the purchase and sale of 400 South Edgeware Road, St. Thomas _____

dated the 29th day of June 2020

The Buyer covenants and agrees to restore the properties forthwith after the inspection(s) to their pre-existing physical condition prior to the time of the first such inspection and to indemnify Seller from all loss arising from Buyer's test and inspections.

Fulfilling of the above conditions shall be in writing and delivered to the Seller or the Seller's Solicitor within the prescribed dates. If no such written notice is received as outlined above, this offer shall be at an end and the Buyer's deposit together with any accrued interest shall be returned to him in full.

These conditions are for the benefit of the Buyer and may be waived by him by notice in writing to the Seller or to the Seller's solicitor on or before the aforementioned prescribed dates.

7. SELLER DELIVERIES

Within Five (5) days following acceptance of this Offer, the Seller will provide to the Buyer, the following Seller Deliveries pertaining to the subject property:

- a) Copies of all Leases affecting the property;
- b) Copies of all Environmental reports in the Seller's possession;
- c) Copies of all Inspection reports in the Seller's possession;
- ~~d) Copies of all Appraisal reports in the Seller's possession;~~
- e) Copies of all Building Plans in the Seller's possession;
- f) Copies of all Utility Bills (gas, hydro & water) for the last 18 months;
- g) A copy of the 2019 Final Tax Bills;
- h) A copy of the survey; and
- i) Any other pertinent information the Buyer should be made aware of.

Handwritten initials: kw, tt, kw

~~8. SELLER LEASE~~

~~The Seller to occupy the front section only (See Schedule C) Gross Rent Free until October 31st, 2020 to complete the September 2020 auction and pick-up/collection.~~

Handwritten initials: kw, kw

9 PROPERTY ACCESS

The parties agree that the Buyer, from the date of acceptance of the Agreement shall have the right of access to the Property for the purpose of inspections that the Buyer may deem necessary in relation to any building and environmental inspections it may require. Such inspections and access shall be conducted during reasonable hours and at times scheduled with the Seller. The Buyer agrees that in the event of a termination of the Agreement, to restore the Real Property to its condition as existed prior to the undertaking of such inspections.

Handwritten initials: kw, kw

~~8. EARLY OCCUPANCY~~

~~Upon waiver of Conditions and provided the Buyer has supplied the second deposit of \$500,000.00 and evidence of insurance, the Seller shall allow the Buyer to occupy the rear unit consisting of approximately 63,000 SF Gross Rent Free until closing (See Schedule C).~~

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

Handwritten initials: kw

INITIALS OF SELLER(S):

Handwritten initials: kw

The trademarks REALTOR®, REALTORISE®, MLS®, Multiple Listing Service® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license. © 2020, Ontario Real Estate Association (OREA). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard printed portion. OREA bears no liability for your use of this form.

Form 500 Revised 2020 Sheet 1 of 2

~~8. EARLY OCCUPANCY~~

~~Upon waiver of Conditions and provided the Buyer has supplied the second deposit of \$500,000.00 and evidence of insurance, the Seller shall allow the Buyer to occupy the rear unit consisting of approximately 63,000 SF at a rate of \$0.10 per sq. ft. per month and will provide 15 days written notice to the Seller.~~

Handwritten initials: kw, kw

Handwritten initials: kw

DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0697D38



Schedule A

Agreement of Purchase and Sale - Commercial

Form 500

for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: 1803299 ONTARIO INC. and

SELLER: BDO CANADA LIMITED, AS RECEIVER OF SLE-CO PROPERTIES INC.

for the purchase and sale of ... 400 South Edgeware Road, St. Thomas ...

dated the 29th day of June 2020

10. FIXTURES AND CHATELS

Buyer and the Seller agree that all existing fixtures and chattels that are used in connection with the property and owned by the Seller are included in the purchase price, including but not limited to, all heating, air conditioning, plumbing, electrical, ventilating, transformers, loading docks, ~~all racking, Mentor Dynamics 20 ton crane, drainage and other fixtures, service equipment and mechanical systems annexed thereto or located therein.~~ All fixtures and chattels related to the ongoing business of the Seller shall not be included in the sale of the property. ~~all racking, Mentor Dynamics 20 ton crane and all electrical panels~~



11. ASSIGNMENT

The Buyer shall have the right to assign the within Agreement of Purchase and Sale to any person or limited company which person or company shall assume all the obligations of the Buyer created or imposed by the within Agreement, provided however that the Buyer shall remain jointly and severally liable with any assignee, under this Agreement until completion of the transaction. Such assignment shall only be valid provided the Buyer delivers to the Seller's solicitors a true copy of such assignment at least five (5) business days prior to the date of closing herein and advises the Seller's solicitors of the name of the solicitors acting for the assignee.

12. LEGAL ADVICE

The Parties to this Agreement acknowledge that CBRE Limited has recommended that they obtain advice from their Legal Counsel prior to signing this document. The parties further acknowledge that no information provided by CBRE Limited is to be construed as expert legal, environmental, zoning or tax advice.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

The trademarks REALTOR®, REALTOR®, MLS®, Multiple Listing Service® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
© 2020, Ontario Real Estate Association (OREA). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard printed version. OREA bears no liability for your use of this form.

DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0697D3B

SCHEDULE B (this "Schedule")

THIS SCHEDULE forms part of the Agreement of Purchase and Sale (the "Agreement") dated June 29th 2020 between 1803299 Ontario Inc., as purchaser (the "Purchaser"), and BDO Canada Limited, solely in its capacity as Court-appointed receiver of the assets, undertakings and properties of Sle-Co Properties Inc. ("Sle-Co Properties"), and without personal or corporate liability, as vendor (the "Vendor").

Authority for Sale

1. Subject to what follows in this Schedule, it is understood and agreed that the Vendor is selling all the right, title and interest of Sle-Co Properties in and to the real property legally described in PINs 35163-0288 and 35163-0283 and municipally known as 400 South Edgeware Road in St. Thomas, Ontario, together with all buildings and improvements thereon (collectively, the "Lands") pursuant to an Order of the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the "Court") dated January 17, 2020 (the "Appointment Order"), by which the Vendor was appointed as receiver of the assets, undertakings and properties of Sle-Co Properties, including the Lands. The Purchaser acknowledges that the Vendor is acting strictly in its capacity as Court-appointed receiver and in no other personal or corporate capacity.

The Appointment Order entitles the Vendor to sell the Lands subject to the approval of the Court. It is understood by the Purchaser that the Vendor requires Court approval to sell the Lands and that the Agreement is subject to and conditional upon Court approval being obtained.

Acceptance of Interest and "As is, Where is"

2. Pursuant to the terms and conditions of the Agreement (including, for greater certainty, this Schedule), the Purchaser shall purchase all of Sle-Co Properties' right, title and interest, if any, in and to the Lands as they shall exist at the time of the closing of the transaction contemplated by the Agreement (such transaction being the "Transaction" and the closing thereof being the "Closing") without representation, warranty or condition of any kind. The Purchaser acknowledges that

DocuSign Envelope ID: 3A76DC09-8250-4D85-BC7D-351CC0697D3B

- 2 -

the Lands are being purchased on an "as is, where is" basis and subject to whatever defects or deficiencies may exist on Closing. The Purchaser has conducted such inspections and investigations concerning the Lands as the Purchaser considered appropriate and has and shall be deemed to have relied entirely on its own inspections and investigations and satisfied itself concerning all matters affecting the Lands. The Purchaser agrees to accept the Lands in their state and condition on Closing. The Purchaser acknowledges and agrees that, other than as provided for in section 8 of this Schedule, the Vendor has not made and will not be asked to make any representation or warranty and further acknowledges that there are no conditions or warranties, whether express or implied, statutory or non-statutory, oral or written, affecting or in any way relating to the Lands or any portion thereof relating to any matter whatsoever, including title, encumbrances, description, quality, fitness for any present or intended purpose or use, physical condition, state of repair, degree of maintenance, compliance or non-compliance with environmental rules, regulations or legislative provisions, zoning or any other matter whatsoever. The Vendor has no knowledge and makes no representations or warranties, whatsoever, as to the existence or non-existence of urea formaldehyde insulation, asbestos, PCBs, radium, radon or radon daughters or any other substances, liquids or materials, whether hazardous or toxic or not, which are or which may constitute on their own or together in combination with any other substance contaminants or pollutants of any environment, including the natural environment. The Vendor specifically makes no representation regarding the compliance of the Lands with any environmental regulation, whether federal, provincial or municipal, or with respect to any rule, regulation, covenant or agreement whether statutory or non-statutory. If the Closing occurs, the Purchaser shall assume any and all risks relating to the condition of the Lands as they existed as of the Closing and the Purchaser shall have no recourse to the Vendor in respect of same. The implied covenants set forth in the *Land Registration Reform Act* otherwise operating in favour of the Purchaser are hereby expressly excluded. This section 2 shall not merge on Closing and shall be deemed to be incorporated by reference into all closing documents and deliveries.

The Vendor shall not be required to furnish or produce any survey, abstract, deed, declaration or other document or evidence of title. Any documentation, materials or information provided by or on behalf of the Vendor to the Purchaser, if any, was



DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0697D3B

- 3 -

provided solely for the convenience of the Purchaser and is not warranted or represented to be complete or accurate.

The description of the Lands is believed to be materially correct but if any statement, error or omission shall be found therein or in the particulars thereof, same shall not entitle the Purchaser to be relieved of any obligation hereunder nor shall any compensation be allowed to either the Vendor or the Purchaser in respect thereof.

Permitted Encumbrances, Easements and Restrictive Covenants

3. The Purchaser agrees to accept and take title to the Lands subject to the following permitted encumbrances (the "Permitted Encumbrances"), and agrees that the Permitted Encumbrances will not be vested out by the Approval and Vesting Order, as defined below, and that the Vendor shall not be obligated to take any further actions in respect thereof.
- (a) the reservations, limitations, provisions and conditions expressed in the original agreement from the Crown and all statutory exceptions to title;
 - (b) the provisions of governing municipal by-laws;
 - (c) municipal taxes, liens, charges, including hydro and water charges, rates and assessments accruing from day to day and not yet due and payable;
 - (d) any agreements, restrictions or covenants that run with the Lands;
 - (e) any right of expropriation conferred upon, reserved to or vesting in Her Majesty the Queen in Right of Canada or Ontario;
 - (f) any easements, rights of way, or right of re-entry in favour of a developer;
 - (g) any agreements with municipal, utilities or public authorities;
 - (h) any minor encroachments which might be revealed by an up to date survey of the Lands; and
 - (i) the by-law registered on title to certain of the Lands on July 12, 1988 under instrument number E127805;



DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-361CC0697D38

- 4 -

- (j) the plan reference registered on title to certain of the Lands on May 17, 1973 under instrument number 11R153;
- (k) the plan reference registered on title to certain of the Lands on May 17, 1978 under instrument number 11R1526;
- (l) the plan reference registered on title to certain of the Lands on March 31, 1980 under instrument number 11R2043;
- (m) the rest cov apl annex registered on title to certain of the Lands on May 9, 1990 under instrument number E230839Z;
- (n) the plan reference registered on title to certain of the Lands on October 17, 1996 under instrument number 11R6401;
- (o) the plan reference registered on title to certain of the Lands on February 19, 1997 under instrument number 11R6493;
- (p) the transfer easement registered on title to certain of the Lands on May 30, 1997 in favour of The Public Utilities Commission of The City of St. Thomas under instrument number E378042;
- (q) the plan reference registered on title to certain of the Lands on July 12, 2000 under instrument number 11R7355; and
- (r) the transfer easement registered on title to certain of the Lands on August 24, 2000 in favour of The Corporation of the City of St. Thomas under instrument number LT37577.

Closing Documents and Arrangements

4. The Vendor and the Purchaser acknowledge that the transaction will be completed by electronic registration pursuant to Part III of the *Land Registration Reform Act*, R.S.O. 1990, c. L4, as amended. The Vendor and the Purchaser further acknowledge and agree that the delivery of documents and the release thereof to the Vendor and the Purchaser shall be governed by a document registration agreement to be entered into between the Purchaser's counsel and the Vendor's



DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0697D3B

- 5 -

counsel substantially in the form of the agreement adopted by the Law Society of Ontario.

The Vendor agrees to provide on Closing to the Purchaser and the Purchaser acknowledges that it shall only have the right to require:

- (a) the Approval and Vesting Order;
- (b) all keys, security cards, alarm codes and access codes in the Receiver's possession, if any;
- (c) the Receiver's Certificate, as defined in or otherwise contemplated by the Approval and Vesting Order;
- (d) a statement of adjustments; and
- (e) an undertaking to readjust the statement of adjustments, provided that such undertaking shall terminate upon the Vendor's discharge as by the Court as the receiver of Sle-Co Properties.

The Purchaser agrees to provide on Closing, in addition to payment of the balance of the Purchase Price (as defined in or otherwise contemplated by the Agreement), an indemnity consistent with paragraph 12 hereof, an undertaking to readjust the statement of adjustments and such other undertakings, certificates, releases, agreements and documents as the Vendor's solicitors, acting reasonably, determine are necessary or required to complete the Transaction.

Impairment of Closing

- 5 In the event any issue is raised with respect to the Agreement which the Vendor determines impairs the ability of the Vendor to complete the Transaction by <>, 2020 or in the event that an injunction or other Court Order is obtained or sought preventing the Vendor from completing the Transaction which the Vendor is unable or unwilling to remove, unless the parties otherwise agree in writing, the Agreement shall be terminated and any deposit paid shall be returned to the Purchaser, without interest or deduction, and the Vendor shall not be liable, in any manner whatsoever,



DocuSign Envelope ID: 3A78DC09-B250-4D95-BC7D-351CC0697D3B

- 6 -

for any costs, expenses, loss or damages incurred or suffered by the Purchaser by reason of same or in any way relating to the Agreement or the Transaction.

Approval and Vesting Order

6. Subject to a) the fulfilment or waiver of any conditions of the Purchaser which are to be complied with before closing, and b) the Purchaser having provided the Vendor with satisfactory proof that the Purchaser has access to readily available funds or sufficient financing to enable the Purchaser to pay the balance of the Purchase Price on Closing, the Vendor will as soon as practicable apply to the Court for an Order approving the completion of the Transaction and the vesting of all of the right, title and interest of Sle-Co Properties, if any, in and to the Lands in the Purchaser free and clear of all mortgages, charges, liens, executions, security interests and encumbrances, save and except for the Permitted Encumbrances (the "Approval and Vesting Order"). The Vendor will diligently pursue such application and will promptly notify the Purchaser of its disposition. The Purchaser shall be satisfied, acting reasonably, with the service list in respect of the Vendor's application for the Approval and Vesting Order. If the Purchaser shall not have indicated its acceptance of, or provided comments in respect of, the Vendor's proposed service list within two business days of the Purchaser's receipt of such list, the Purchaser shall be deemed to have approved such list.
- in the event that the appeal period from the Approval and Vesting Order has not expired by the date set for the completion of the Transaction in the pre-printed form to which this Schedule is attached, the date for completion shall be the first business day following the expiry of the appeal period unless the parties otherwise agree in writing.

Covenants of the Purchaser

7. The Purchaser agrees that, on or before Closing, it will cause the following to be done:
- (a) furnish the Vendor with evidence of the Purchaser's Harmonized Sales Tax registration number under the *Excise Tax Act* (Canada);



DocuSign Envelope ID: 3A76DC09-8250-4D85-8C7D-351CC0E97D3E

- 7 -

- (b) ensure that the representations and warranties of the Purchaser set forth herein are true and correct at the time of Closing by delivery of a bring-down certificate on Closing; and
- (c) pay the balance of the Purchase Price, subject to any agreed upon adjustments, to the Vendor by way of wire, certified cheque or bank draft.

Representations and Warranties of the Vendor

8. The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying thereon in entering into the Agreement and completing the Transaction:
- (a) the Vendor has been duly appointed under the Appointment Order as the receiver of the assets, properties and undertakings of Sle-Co Properties and has not been served with any notice of appeal from the Appointment Order;
 - (b) the Vendor is not aware of any proceedings, pending or threatened, to enjoin the Transaction;
 - (c) other than the registration of the Appointment Order and the accrual of professional fees secured by the charges granted by the Appointment Order, the Vendor has not otherwise done any act to encumber the Lands and will not otherwise encumber the Lands until the Closing;
 - (d) the Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act (Canada)*; and
 - (e) the Vendor has not previously sold and will not dispose of or sell the Lands or any portion thereof between the date hereof and Closing.

Representations and Warranties of the Purchaser

9. The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying thereon in entering into of the Agreement and completing the Transaction:



DocuSign Envelope ID: 3A76DC09-8250-4D95-BC7D-351CC0697D3B

- 8 -

- (a) the Agreement and each of the other agreements, documents and instruments to be executed and delivered by the Purchaser on or before closing have been or will be duly executed and delivered by, and when executed and delivered, will constitute valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms;
- (b) the Purchaser is not a non-resident of Canada for purposes of the *Income Tax Act (Canada)*; and
- (c) the Purchaser is or will prior to Closing be registered under the *Excise Tax Act (Canada)*.

Mutual Conditions for the Benefit of the Vendor and the Purchaser

10. The following conditions are for the benefit of both the Vendor and the Purchaser and neither party will be obligated to complete the Transaction unless such conditions have been satisfied or waived by both the Vendor and the Purchaser:
- (a) on Closing, no order will have been issued by a court of competent jurisdiction which remains in effect, and no action or proceeding will have been instigated which remains pending before any court of competent jurisdiction to prevent or otherwise adversely affect the purchase and sale of the Lands or any portion thereof pursuant to the Agreement;
 - (b) the Court will have issued the Approval and Vesting Order, the Approval and Vesting Order shall not have been stayed, vacated or varied and no appeal of the Approval and Vesting Order shall have been commenced and be outstanding and, unless otherwise agreed by the parties, in writing, the appeal period from the Approval and Vesting Order shall have expired; and
 - (c) on Closing, the Appointment Order shall remain in effect and the Vendor shall not have lost its ability to complete the Transaction.

Governmental Approvals

11. It shall be the responsibility of the Purchaser, at the Purchaser's own expense, to obtain any and all governmental, regulatory or other approvals necessary to utilize



DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0697D38

- 9 -

the Lands and every portion thereof. In particular and without limiting the foregoing, the Purchaser shall have the sole obligation to obtain all necessary approvals, licences, permits, authority, permission or other items (collectively the "Approvals"), whether required locally, provincially, federally or otherwise as may be required to use and enjoy the Lands and/or to carry on business thereon and the obtaining of such Approvals shall not, in any manner whatsoever, be a precondition to completion of or affect or limit the Purchaser's obligations to complete the Transaction.

Taxes

12. The Purchaser shall pay on Closing, in addition to the Purchase Price after usual adjustments only, all applicable federal and provincial taxes, including any applicable Land Transfer Tax and Harmonized Sales Tax, except to the extent that the Purchaser provides on or before Closing, where applicable, appropriate exemption certificates and the Purchaser agrees to indemnify and save the Vendor harmless from and against all claims and demands for payment made as a result of the failure by the Purchaser to fulfill the requirements hereof and the Purchaser acknowledges and agrees that such indemnity shall extend to and include any amounts assessed against the Vendor on account of interest and/or penalties. The Purchaser shall be permitted to self-assess for the applicable Harmonized Sales Tax provided the Purchaser complies with section 221(2) of the *Excise Tax Act* as amended.

Chattels

13. The Purchaser acknowledges that the machinery, equipment, chattels and other personal property located on the Lands, if any, is not included in the Transaction and may be removed by the Vendor prior to Closing. The Vendor may but shall not be obligated to remove from the Lands any unwanted chattel existing as of the Closing date. All racking, Mentor Dynamics 20 ton crane to remain with the building.

Property Taxes

14. The Purchaser acknowledges that the Vendor may apply for a reduction in the taxes payable to the municipality with respect to the Lands for the period prior to the



DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0697D38

- 10 -

Closing date. The Purchaser agrees that the Vendor shall be entitled to the benefit of any such reduction for the period prior to the Closing date. The Purchaser agrees that on Closing, it shall execute such directions, acknowledgements and other documents as may be necessary or desirable to ensure that the benefit of any such reduction for the period prior to the Closing date is received by the Vendor.

Conditional Period

15. In the event that the obligations of the Purchaser herein are subject to any conditions in any fashion whatsoever other than the conditions in this Schedule, then, in that event and until written waiver of all such conditions by the Purchaser, the Vendor shall have the right, but not the obligation, to continue to offer the Lands for sale. In the event that the Vendor receives an offer or offers to purchase the Lands which the Vendor wishes to accept, then, in that event, the Vendor shall notify the Purchaser of that fact in writing and the Purchaser shall have the right to irrevocably waive, in writing, all such conditions by no later than 4:00 p.m. (Eastern time) on the second business day following the date upon which notice is given by the Vendor in the manner specified below. In the event that the Purchaser does not waive any and all such conditions in accordance with the provisions hereof and within the time period specified, the Agreement shall terminate, the deposit shall be refunded, without interest, to the Purchaser and neither party shall have any further liability or other obligations to the other under or by virtue of this Agreement.

Independent Advice

16. The Purchaser acknowledges that the Purchaser has had an opportunity to obtain independent advice including, without limitation, independent real estate, accounting and legal advice, prior to the execution of this Schedule, the pre-printed form to which it is attached and all other schedules referred to therein or herein.

Receipt of Information

17. The Purchaser acknowledges that no property owner's statement of disclosure will be delivered or requested and that any document supplied to the Purchaser has been provided for the convenience of the Purchaser and has been delivered without



DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0697D3B

- 11 -

any representation or warranty by or on behalf of the Vendor as to its accuracy or with respect to any other aspect thereof and does not form part of the Agreement.

Notices

Any notice relating to the Agreement shall be forwarded as follows.

(a) To the Purchaser at:

1803299 Ontario Inc.
500 Highway #3,
P.O. Box 428, Tillsonburg, ON
N4G 4H8

Attention: _____

Email: _____

With a copy to (Counsel)

McKenzie Lake Lawyer LLP
140 Fullarton Street,
Suite 1800, London, ON
N6A 5P2
Attention: Beth Mullin
Email: mullin@mckenzielake.com



DocuSign Envelope ID: 3A76DC09-B250-4D96-8C7D-351CC0697D38

- 12 -

(b) To the Vendor at:
BDO Canada Limited
633 Colborne Street,
Unit 100
London, ON N6B 2V3
Attention: Stephen N. Chemiak, CPA, CA, CIRP, LIT
Email: schemiak@bdo.ca

With a copy to:

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Sanj Mitra and Jeremy Nemers
Email: smitra@airdberlis.com and jnemers@airdberlis.com

Any notice shall be deemed given and received when hand delivered or delivered by courier to the address for service provided herein or, where an email address is utilized, when successfully transmitted electronically to that email address provided that if the service is effected on a weekend, statutory holiday or after 5:00 p.m. on any business day, service shall be deemed to have been effected at 9:00 a.m. on the next business day.

General Provisions

18. Acceptance of the Agreement by either party and communication of same by electronic transmission in 'pdf' format shall be binding upon each party as if the documents transmitted were originally executed documents.
19. Upon termination of the Agreement by reason of default of the Purchaser, in addition to any other remedy which the Vendor may have, the deposit, together with all interest accrued thereon, shall be released to the Vendor, forthwith, without any further direction from the Purchaser required, as liquidated damages and not as a penalty and without prejudice to any other right or remedy which the Vendor may have against the Purchaser at law or in equity.



DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0897D3B

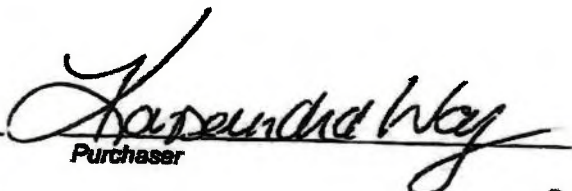
- 13 -

- 20. Except as herein expressly stated, no representation, statement, understanding or agreement has been made or exists, either oral or in writing, which in any way affects the terms or the subject matter hereof.
- 21. Time will, in all respects be of the essence and no extension or variation of the Agreement or any obligation hereunder will operate as a waiver or implied waiver of this provision.
- 22. Where the provisions of this Schedule conflict with anything contained elsewhere in the Agreement (including, for greater certainty, in the pre-printed form to which this Schedule is attached), the parties agree that the provisions of this Schedule shall govern. Otherwise the provisions of this Schedule shall supplement the provisions of the Agreement.
- 23. The Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns, as the case may be. The Purchaser shall not have the right to assign the Agreement without the prior written consent of the Vendor, not to be unreasonably withheld.
- 24. The Purchaser will execute and deliver all such further documents and instruments and do all acts and things as the Vendor may, either before or after Closing, reasonably require to carry out effectively the intent and meaning of the Agreement and to consummate the Transaction.
- 25. The Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable in Ontario.
- 26. The Vendor is acting solely in its capacity as receiver of Ste-Co Properties and shall have no personal or corporate liability under or by virtue of the Agreement.

IN WITNESS WHEREOF the parties hereto have duly executed this Schedule on this 29th day of June, 2020.



Witness



Purchaser



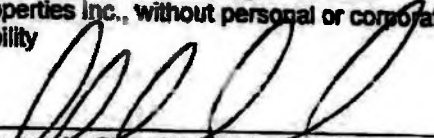
DocuSign Envelope ID: 3A76DC09-B250-4D95-BC7D-351CC0697D38

- 14 -

Witness

BDO Canada Limited, in its capacity as
Court-appointed receiver of all of the assets,
properties and undertakings of Ste-Co
Properties Inc., without personal or corporate
liability

Per:



Stephen N. Chermiak, CRA, CA, CIRP, LIT
Senior Vice President

39803164.2



DocuSign Envelope ID: 3A76DC09-8250-4D95-9C7D-351CC0697D38



Schedule C

Agreement of Purchase and Sale - Commercial

Form 505
for use in the Province of Ontario

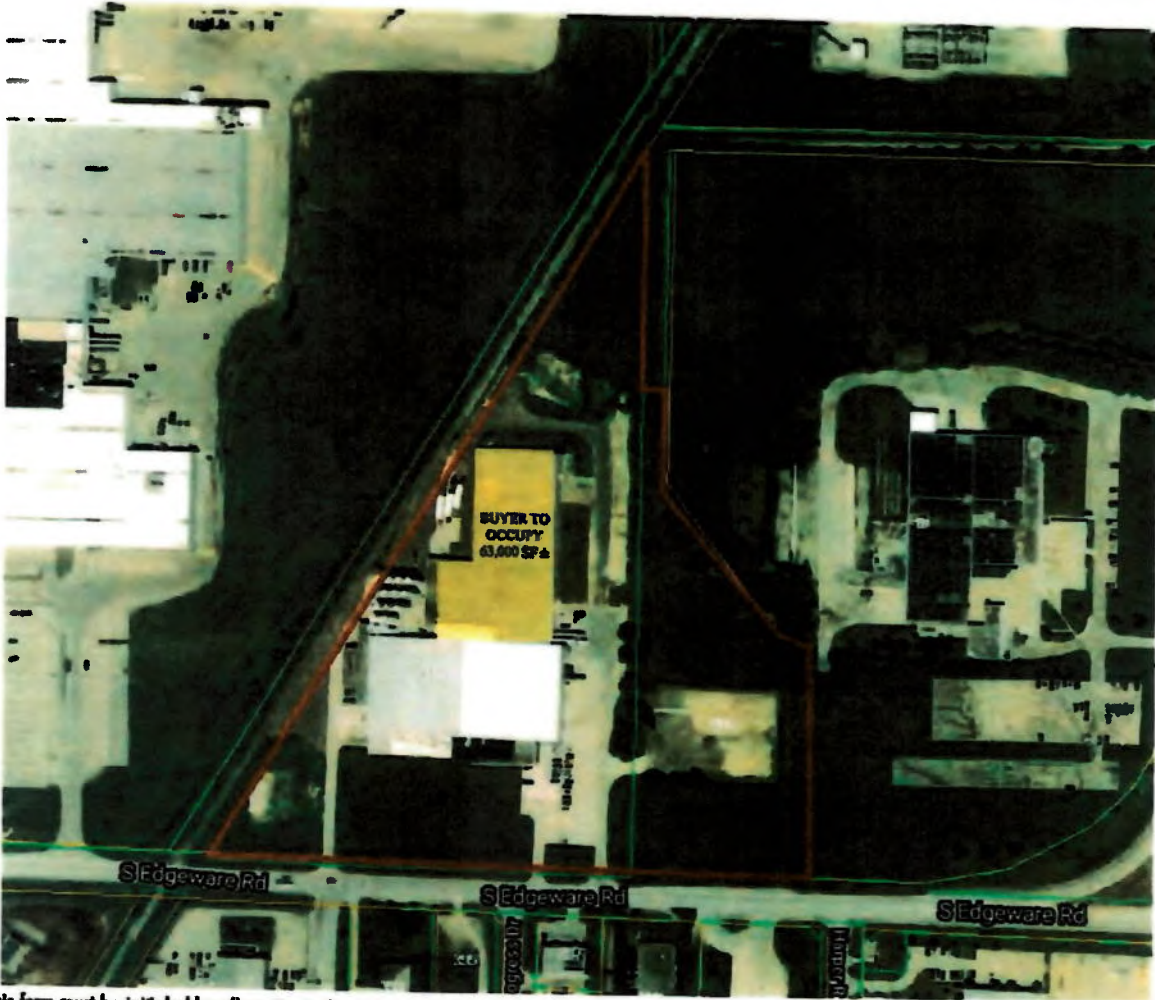
This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: 1803299 ONTARIO INC., and

SELLER: BDO CANADA LIMITED, AS RECEIVER OF SLE-CO PROPERTIES INC.

for the purchase and sale of 400 South Edgeware Road, St. Thomas

dated the 29th day of June 2020



DS
KW
This schedule to be removed
De
KW
This schedule to be removed
De

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): *KW*

INITIALS OF SELLER(S): *[Signature]*

The trademarks REALTOR®, REALTOR®, MLS®, Multiple Listing Service® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the capability of services they provide. Used under license.
© 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard printed version. OREA bears no liability for your use of this form.

This Schedule to be removed.

DS
KW
[Signature]

DocuSign Envelope ID: 3A76DC09-8250-4D95-BC7D-351CC0697D38

OREA Ontario Real Estate Association
Form 320
for use in the Province of Ontario

Confirmation of Co-operation and Representation

BUYER: 1803299 ONTARIO INC.

SELLER: BDO CANADA LIMITED, AS RECEIVER OF SLE-CO PROPERTIES INC.

For the transaction on the property known as: 400 South Edgeware Road, St. Thomas

DEFINITIONS AND INTERPRETATIONS: For the purposes of this Confirmation of Co-operation and Representation: "Seller" includes a vendor, a landlord, lessor, or a prospective, seller, vendor, landlord or lessor and "Buyer" includes a purchaser, a tenant, lessee or a prospective, buyer, purchaser, tenant or lessee and "sale" includes a lease, and "Agreement of Purchase and Sale" includes an Agreement to Lease. Commission shall be deemed to include other remuneration.

The following information is confirmed by the undersigned salesperson/broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 2002, (REBA).

1. LISTING BROKERAGE

- a) The Listing Brokerage represents the interests of the Seller in this transaction. It is further understood and agreed that:
 - i) The Listing Brokerage is not representing or providing Customer Service to the Buyer. [If the Buyer is working with a Co-operating Brokerage, Section 3 is to be completed by Co-operating Brokerage]
 - ii) The Listing Brokerage is providing Customer Service to the Buyer.
- b) **MULTIPLE REPRESENTATION:** The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage. However, the Listing Brokerage shall not disclose:
 - That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
 - That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
 - The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
 - The price the Buyer should offer or the price the Seller should accept;
 - And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.
 However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

Additional comments and/or disclosures by Listing Brokerage: (e.g. The Listing Brokerage represents more than one Buyer offering on this property.)

CBRE Listing Team (Kevin MacDougall & Eric Heizer) represents the interest of the Seller in this transaction.

CBRE Selling Team (Randy Fisher & Larin Shouldice) represents the interest of the Buyer in this transaction.

2. PROPERTY SOLD BY BUYER BROKERAGE - PROPERTY NOT LISTED

- The Brokerage represent the Buyer and the property is not listed with any real estate brokerage. The Brokerage will be paid (does/does not)
 - by the Seller in accordance with a Seller Customer Service Agreement
 - by the Buyer directly

Additional comments and/or disclosures by Buyer Brokerage: (e.g. The Buyer Brokerage represents more than one Buyer offering on this property.)

INITIALS OF BUYER(S)/SELLER(S)/BROKERAGE REPRESENTATIVE(S) (Where applicable)


BUYER


CO-OPERATING/BUYER BROKERAGE


SELLER


LISTING BROKERAGE

The trademarks REALTOR®, REALTOR®, and/or REALTOR® are used herein under license by the Ontario Real Estate Association (OREA) and identify the real estate professionals who are members of OREA and the quality of services they provide. Used under license.
© 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard printed portion. OREA bears no liability for your use of this form.

DocuSign Envelope ID: 3A76DC09-8250-4D95-8C7D-351CC0697D38

3. Co-operating Brokerage completes Section 3 and Listing Brokerage completes Section 1.

CO-OPERATING BROKERAGE- REPRESENTATION:

- a) The Co-operating Brokerage represents the interests of the Buyer in this transaction.
- b) The Co-operating Brokerage is providing Customer Service to the Buyer in this transaction.
- c) The Co-operating Brokerage is not representing the Buyer and has not entered into an agreement to provide customer service(s) to the Buyer.

CO-OPERATING BROKERAGE- COMMISSION:

- a) The Listing Brokerage will pay the Co-operating Brokerage the commission as indicated in the MLS® information for the property 1.5% to be paid from the amount paid by the Seller to the Listing Brokerage. (Commission As Indicated In MLS® Information)
- b) The Co-operating Brokerage will be paid as follows:

Additional comments and/or disclosures by Co-operating Brokerage: [e.g., The Co-operating Brokerage represents more than one Buyer offering on this property.]

Commission will be payable as described above, plus applicable taxes.

COMMISSION TRUST AGREEMENT: If the above Co-operating Brokerage is receiving payment of commission from the Listing Brokerage, then the agreement between Listing Brokerage and Co-operating Brokerage further includes a Commission Trust Agreement, the consideration for which is the Co-operating Brokerage procuring an offer for a trade of the property, acceptable to the Seller. This Commission Trust Agreement shall be subject to and governed by the MLS® rules and regulations pertaining to commission trusts of the Listing Brokerage's local real estate board, if the local board's MLS® rules and regulations so provide. Otherwise, the provisions of the OREA recommended MLS® rules and regulations shall apply to this Commission Trust Agreement. For the purpose of this Commission Trust Agreement, the Commission Trust Amount shall be the amount noted in Section 3 above. The Listing Brokerage hereby declares that all monies received in connection with the trade shall constitute a Commission Trust and shall be held, in trust, for the Co-operating Brokerage under the terms of the applicable MLS® rules and regulations.

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

CBRE LIMITED (Name of Cooperating/Buyer Brokerage) 30-380 WELLINGTON STREET LONDON ON N6A5B5 Tel: (519) 673-6444 Fax: (519) 673-6948 Randy Fisher (Authorized to bind the Cooperating/Buyer Brokerage) 6/29/2020 RANDY FISHER (Print Name of Salesperson/Broker/Broker of Record)	CBRE LIMITED (Name of Listing Brokerage) 30-380 WELLINGTON STREET LONDON ON N6A5B5 Tel: (519) 673-6444 Fax: (519) 673-6948 (Authorized to bind the Listing Brokerage) _____ (Date) _____ KEVIN MACDOUGALL (Print Name of Salesperson/Broker/Broker of Record)
--	---

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction)

The Buyer/Seller consent with their initials to their Brokerage representing more than one client for this transaction.

BUYER'S INITIALS: *[Handwritten Initials]* SELLER'S INITIALS: *[Handwritten Initials]*

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

Signature of Buyer: *[Handwritten Signature]* Date: *June 29th 2020*
 Signature of Seller: *[Handwritten Signature]* Date: *July 3/20*

The trademarks REALTOR®, REALTORSES®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.
 © 2020 Ontario Real Estate Association (OREA). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard print portion. OREA bears no liability for your use of this form.

TAB H

**BDO Canada Limited Receiver of
Sle-Co Plastics Inc., Sle-Co Properties Inc. and 1142024 Ontario Inc.
Statement of Receipts and Disbursements (CAD)
January 17, 2020 through September 30, 2020**

Receipts:

Sale of machinery and equipment en bloc	\$ 3,200,000.00	
Sale of inventory	95,000.00	
Cash in Bank (Sle-Co Properties Inc.)	51,833.51	
Accounts receivable	49,996.23	
Sale of equipment	5,000.00	
Cash in Bank (Sle-Co Plastics Inc.)	1,744.63	
Interest earned	1,728.18	
Cash in Bank (1142024 Ontario Inc.)	1,698.79	
Miscellaneous income	999.10	
HST collected on sales	650.00	
Transfers from USD account	3,271,885.42	
	3,271,885.42	\$ 6,680,535.86

Disbursements:

Independent Contractor payments	795,906.65	
Receiver's fees	329,295.58	
Insurance	304,927.97	
Utilities & telecommunications	207,518.48	
Repairs & maintenance	145,549.67	
HST remitted	142,124.89	
HST on disbursements	121,158.12	
Group Benefits & WSIB	84,338.33	
Legal fees	60,206.39	
Accounting fees	58,130.00	
Equipment leases & rental	50,514.52	
Consulting fees	47,048.35	
Security	21,456.00	
Freight & shipping	17,584.74	
Purchases	13,743.73	
Life insurance premium	5,480.76	
Advertising	4,570.50	
Appraisal fees	3,305.00	
Bank charges	2,016.28	
Advance to Trustee in bankruptcy	1,000.00	
Official Receiver - Registration fees	210.00	
	210.00	2,416,085.96

Excess of receipts over disbursements

\$ 4,264,449.90
Represented by:

Balance in Receiver's account as at September 30, 2020

\$ 4,264,449.90

**BDO Canada Limited Receiver of
Sle-Co Plastics Inc., Sle-Co Properties Inc. and 1142024 Ontario Inc.
Statement of Receipts and Disbursements (USD)
January 17, 2020 through September 30, 2020**

Receipts:

Receiver sales	\$ 1,127,929.98	
Accounts receivable	1,028,628.02	
HST collected on sales	153,088.26	
Cash in Bank (Sle-Co Plastics Inc.)	141,342.80	
Sale of inventory	133,505.75	
Interest	<u>859.08</u>	
		\$ 2,585,353.89

Disbursements:

Purchases	151,209.17	
HST paid on disbursements	10,459.90	
Equipment leases and rental	2,648.11	
Bank charges	449.97	
Transfers to CAD account	<u>2,376,838.17</u>	
		2,541,605.32

Excess of receipts over disbursements

\$ 43,748.57

Represented by:

Balance in Receiver's account as at September 30, 2020

\$ 43,748.57

TAB I

**ONTARIO SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE RECEIVERSHIP OF
SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC.
AND 1142024 ONTARIO INC.

AFFIDAVIT OF STEPHEN N. CHERNIAK

I, **Stephen N. Cherniak**, of the City of London, in the Province of Ontario, **MAKE OATH AND SAY:**


1. I am a Senior Vice-President of BDO Canada Limited (“BDO”), the Receiver of Sle-Co Plastics Inc. (“Plastics Inc.”), Sle-Co Properties Inc. (“Properties Inc”) and 1142024 Ontario Inc. (“1142024” and collectively with Plastics and Properties, the “Companies”) and, as such, I have knowledge of the matters hereinafter deposed to.
2. By Order dated January 17, 2020 BDO Canada Limited was appointed as Receiver of Plastics Inc., Properties Inc. and 1142024 (the “Receiver”).
3. The Receiver’s First Report to the Court was approved by Justice Grace on June 15, 2020, save and except for the activities described in section 4.14 (a) of the First Report, the approval of which was reserved until a later report of the Receiver. The first account of the Receiver for the period December 23, 2019 to April 30, 2020 was also approved by the Order of Justice Grace on June 15, 2020.
4. Since the date of its last account the Receiver has been engaged in the following:
 - Prepare Receiver’s Statement of Receipts and Disbursements for USD and CAD accounts, First Report to Court of the Receiver and Confidential Supplement to First Report and attend Court hearing by teleconference on June 15, 2020;

- Telephone calls and email correspondence with representatives of Canada Revenue Agency (“CRA”) and Business Improvement Group regarding 2017-2019 Scientific Research and Experimental Development (“SRED”) claims, review of CRA SRED reports and correspondence to accept CRA proposals;
- Telephone calls and correspondence with counsel to HSBC Canada (“HSBC”) regarding leased machinery excluded from receivership assets, and subsequently with the purchaser of the machinery, Arlington Machinery Inc. regarding arrangements for removal of Engel 2200 machine;
- Correspond with representatives of Barill and Associates and Manulife regarding life insurance policy and arrangements with RBC and Manulife for release of RBC interest, assignment of policy to Receiver and payment of premium;
- Correspond with representatives of Barill and Associates and Canada Life / London Life regarding life insurance policy with cash surrender value owned by 1142024 and terminated prior to the receivership;
- Engage Yarmouth Group to backfill and grade several areas of uncompleted construction and correspondence and meeting with J. Heather of SPH Engineering to inspect and conclude;
- Correspond and telephone calls with Infinity Asset Solutions Inc. (“Infinity”) regarding set-up for sale, plant staffing, pre-sale machine removal arrangements, Engel 2200 components purchased by Infinity, inclusion of Dell equipment in sale and other matters;
- Correspond with Libro Credit Union to close bank accounts, obtain various bank statements and complete review and summary of activity in 1142024 Ontario Libro account;
- Correspond with De Lage Landen Financial and arrange for return of equipment originally leased from Cisco Systems Capital Co.;
- Finalize and execute listing agreement for 400 South Edgeware Road, St. Thomas (“400 South Edgeware”) with CBRE Ltd. and assist in preparation of CBRE data room and marketing materials;

- Review of offers received for 400 South Edgeware;
 - Negotiate sale of 400 South Edgeware with 1803299 Ontario Inc., including preparation of counter offers and correspondence regarding electrical system and inclusion of certain chattels;
 - Correspond with Marsh Canada Inc. (“Marsh”) to amend insurance coverages of existing insurance policies and arrange with Marsh for new property and liability insurance policies from July 31, 2020, following expiry of Companies’ policies;
 - Review status of Companies financial statements and income tax returns including summaries and memo prepared by Davis Martindale LLP (“DM”). Correspond with and engage DM to complete the Companies 2019 and 2020 financial statements and income tax returns and assist with the preparation of unfiled HST returns. Obtain bank statements from Libro and RBC and provide to DM to assist for financial statement preparation;
 - Prepare Receiver’s Statement of Receipts and Disbursements for USD and CAD accounts, Second Report to Court of the Receiver and Confidential Supplement to Second Report;
 - Approve and process weekly payroll and supplier payments, arrange records retention and destruction and other day to day operational matters.
 - Continue security and fire system monitoring and inspections of fire system by Troy Life and Fire Safety;
 - Various phone calls and correspondence with former employees, trade creditors, the stakeholders and their respective counsel.
5. In the course of performing the duties pursuant to the Order and as set out above at paragraph 4, the Receiver’s staff expended 434.4 hours for the period of May 1, 2020 through September 30, 2020. Attached hereto and marked as Exhibit “A” to this my Affidavit is the account of the Receiver together with a summary sheet.

6. To the best of my knowledge, the rates charged by the Receiver throughout the course of these proceedings are comparable to the rates charged by other insolvency practitioners in the Ontario mid-market for providing similar insolvency and restructuring services.
7. The hourly billing rates outlined in Exhibit "A" to this my Affidavit are not more than the normal hourly rates charged by BDO Canada Limited for services rendered in relation to similar proceedings.
8. I verily believe that the fees and disbursements incurred by the Receiver are fair and reasonable in the circumstances.
9. This Affidavit is sworn in support of the motion for approval of the Receiver's fees and disbursements and for no other or improper purposes.

SWORN BEFORE ME at the City of
London in the Province of Ontario
on the 28th day of October, 2020



Commissioner for Taking Affidavits

David Randall Flett
a Commissioner, etc., Province of Ontario,
for BDO Canada Limited and BDO Canada LLP.
Expires April 24, 2022



STEPHEN N. CHERNIAK, CPA, CA, CIRP
Licensed Insolvency Trustee

Attached is Exhibit A
To the Affidavit of Stephen N. Cherniak
Sworn the 28th day of October 2020.



A Commissioner, Etc

David Randall Flett
a Commissioner, etc., Province of Ontario,
for BDO Canada Limited and BDO Canada LLP.
Expires April 24, 2022

**Summary of Receiver's Accounts for the period
May 1, 2020 through September 30, 2020**

Invoice Date	Hours Expended	Fees & Disbursements	HST	Invoice Total
June 1, 2020	105.4	\$44,000.00	\$5,720.00	\$49,720.00
July 6, 2020	110.6	47,048.00	6,116.24	53,164.24
October 1, 2020	218.4	91,000.00	11,830.00	102,830.00
	434.4	\$182,048.00	\$23,666.24	\$205,714.24



Invoice # 06/01/2020
 Sle-Co Plastics Inc.
 HST Reg # 101518124RT0001

Ontario Superior Court of Justice
 80 Dundas Street
 London, ON N6A 6A3

June 1, 2020

Re: Sle-Co Plastics Inc., Sle-Co Properties Inc.,

For professional services rendered for the period May 1, 2020 through May 31, 2020 as per the attached detail:

Our Fee	\$44,000.00
Disbursements	<u>0.00</u>
Sub Total	44,000.00
HST	5,720.00
Total	<u>\$49,720.00</u>

REMITTANCE ADVICE

Cheque Payments to:
 BDO Canada Limited
 100-633 Colborne Street
 London, ON N6B 2V3

Invoice # 06/01/2020

Amount \$49,720.00

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

June 1, 2020

For professional services rendered

Staff	Date	Time	Narrative
Cherniak, S	05/01/2020	0.5	Email from Lyle re timing of Court. Respond. Send email to realtors re listing agreement. Review of email re interested party.
Flett, D	05/01/2020	0.5	Calls with W. Dowson re labour, Apex, SPH Engineering; emails with D. Brace re outlook emails accounts; review S. Cherniak emails with CBRE, Infinity.
Flett, D	05/04/2020	5.5	Review May statement from First Insurance Funding; several emails with T. Saubolle of Marsh re Allied property policy credits to be processed, review credit invoices to be processed and update insurance policy summary schedule; email and call with D. Brace re email accounts, domain name, plans and drawings; email from A. Driedger of Thornton Grout Finnigan re HSBC sale of machine 55 and memo to S. Cherniak on removal issues; call with S. Cherniak re HSBC, machine 55 issues, report status; email with D. Brace re photos, CAD drawings and review; Detailed reply to A. Driedger of Thornton Grout Finnigan, with photos re HSBC machine 55 removal issues and considerations; Continue with Receiver's First Report - Sale of Assets, R&D, Professional fees.
Cherniak, S	05/04/2020	1.2	Emails re insurance. Deal with HSBC equipment email from Thornton Grout Finnigan. Review response. Questions re report. Review of drawings re property.
Flett, D	05/05/2020	5	Prepare weekly payroll, forward to S. Cherniak and approve in RBC Express; continue with First report of receiver - receiver activities, R&D; call with J. Hayne of Infinity re Staubli clamps, Conair loader and forward information and photo on clamp; email with W. Dowson, D. Brace re machine 55; lengthy call with W. Dowson re SPH meeting, plan for safety issues, current labour, loader and clamp removal; review receiver accounting with M. Finnegan for R&D's; email with J. Hayne of Infinity re loader and clamp removal costs; email to A. Driedger of Thornton Grout Finnigan; review general ledgers for USD and CAD accounts and prepare statements of receipts and disbursements.
Finnegan, M	05/05/2020	0.5	Prepare and pay payroll.
Cherniak, S	05/05/2020	0.7	Review and approve payroll. Review of emails re clamps and invoice for Conair loader. Review of follow up email to Thornton Grout Finnigan.
Flett, D	05/06/2020	7	Review USD accounting, RBC Express report and email with M. Finnegan to update posting and reconcile; prepare summary R&D's for USD and CAD account; email with D. Brace re building drawings; continue with first report - receiver activities, sale of assets; prepare confidential supplement to first report and summary of offers for report presentation; review and finalize draft court report.
Finnegan, M	05/06/2020	1	Banking, and bill payments
Cherniak, S	05/06/2020	0.2	Pay bills.

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

Staff	Date	Time	Narrative
Flett, D	05/07/2020	5.5	Call with S. Cherniak re listing agreement, approval of proposed receiver report and appointment order, review and format of first report and confidential supplement; email to T. Saubolle of Marsh, M. Finnegan re revised insurance payment schedule; voice mail from, email to J. Asma re Inoac supplier; voice mail from/to and calls with W. Dowson re machine 55, ongoing labour, quote to address permit safety issue, water issue, Infinity queries on machine specifications; email with D. Brace re Alarmtech batteries; voice mail for D. Mills of CRA re SRED; review SPH site review report #1; email with K. Moody of Absolute re record destruction; update payroll summary and forward to M. Finnegan for WSIB remittance; email from A. Driedger of Thornton Grout Finnigan re HSBC leases, machine 55 removal; call with S. Cherniak re first report, HSBC, plant labour; revisions to first report, R&D's; draft email to J. Nemers of Aird Berlis with first report and confidential supplement for review.
Finnegan, M	05/07/2020	0.5	File administration.
Cherniak, S	05/07/2020	2.9	Review of email from CBRE re edits to the listing agreement. Call with T. Hogan re indemnity clause. Call with K. MacDougall re edits. Review of report and supplement. Review of email re insurance. Discussion with D. Flett re engineers report and work to be done along with additional staff. Review of email re HSBC equipment. Update from D. Flett.
Cherniak, S	05/08/2020	0.5	Review of environmental proposal. Call with B. Lyle. Respond by email. Review of email to Aird Berlis re court report. Emails re unpaid supplier.
Flett, D	05/08/2020	0.5	Email with J. Nemers of Aird Berlis re first report to court; email with J. Asma re supplier invoice; call with W. Dowson re HSBC leased robots, machine 55 removal, labour for following week.
Flett, D	05/11/2020	3.5	Call with W. Dowson re machine 55 removal issues, moving machine 53; update hours and payroll summary for previous week; call with D. Mills of CRA re 2017 SRED claim status and history; review Apex environmental quote; call with S. Cherniak re Apex, machine oil drainage, real estate listing and other items; email with B. Lyle of Infinity re environmental disposal; email to A. Driedger of Thornton Grout Finnigan re machine 55 sale; email with K. Moody of Absolute re records destruction, consoles on site; review T4 submission information and call, email with M. Finnegan re CRA enquiry; email with B. Winning of Infinity, S. Cherniak re drainage and disposal of machine oil issues; call with S. Cherniak re Apex, 2017 SRED claim status; email with S Welles of Apex.
Cherniak, S	05/11/2020	1.6	Review of email to Thornton Grout Finnigan re HSBC equipment. Discuss with D. Flett. Numerous emails re Apex and Infinity. Discussion with D. Flett re same. Email to K. MacDougall re listing agreement. Review response. Review of email from J. Asma re supplier invoice. Update on CRA call from D. Flett.
Finnegan, M	05/12/2020	1	Calls from CRA re company 2020 T4 filing and issues with amounts. Further investigation needed prior to CRA cancelling filing. Discussion with D. Flett re same. Prepare and pay payroll.

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

Staff	Date	Time	Narrative
Flett, D	05/12/2020	5	Call with W. Dowson re attend at plant; prepare weekly payroll summary, forward to S. Cherniak for approval and approve in RBC Express; call with M. Finnegan re CRA enquiry on electronic T4 submission; review drone film of chiller addition area; review plans and drawings in pdf located by D. Brace; attend at 400 South Edgeware and review several issues with W. Dowson incl. SPH Engineer recommendations for open permit re chiller addition area, other doors, proposed front office, machine 55 removal path, riser issues and likely move of machine 53, robot components; review and organize photos from attendance at plant; email with A. Brintnell of Troy; update weekly payroll summary to add E. Kleiman.
Flett, D	05/13/2020	5.5	Memo to D. Brace, W. Dowson re Troy fire annual inspection and ULC monitoring; arrangements with M. Finnegan for bin disposal; memo to S. Cherniak re SPH review, chiller addition area repairs; call with W. Dowson re machine 55 interface, other Fanuc robot interfaces, moving of machine 53; call with S. Cherniak re interface, M55 removal; email to A. Driedger of Thornton Grout Finnigan re M55 removal path, machine 53 move and robot interface not part of HSBC lease; email to J. Haynes of Infinity re interface; lengthy call with L. Hahn of CRA re problem with 2020 T4 submission reported by T4 processing area and options; review 2020 T4 issue with M. Finnegan; start affidavit of fees for first court report; leave voicemail for J. Stathakos of CRA appeals.
Finnegan, M	05/13/2020	0.4	Bill payment and arrange garbage pick up
Cherniak, S	05/13/2020	1.4	Review of email re listing agreement. Respond. Zoom call with CBRE re changes. Review revised documents. Execute. Review of emails HSBC. Call with D. Flett re same. Email from RBC re Slegers. Respond. Email re fire & safety.
Finnegan, M	05/14/2020	0.4	Call from CRA EI program - confirming the type of payment employee rec'd - WEPPA payment. Another call with CRA re 2020 T4 admission.
Flett, D	05/14/2020	5.5	Call with S. Cherniak re real estate listing, building repairs re SPH review, open permit; memo to W. Dowson, D. Brace re CBRE showings; email with K. MacDougall of CBRE, W. Dowson re showings; several emails with A. Driedger of Thornton Grout Finnigan re HSBC sale of Engel 2200 and Fanuc robots, arrangements with Arlington; continue with affidavit of fees for first report; review draft CBRE marketing materials for 400 South Edgeware; review quote from Yarmouth re foundation and grading repairs and email to B. Bishop with queries; email to K. MacDougall re plans and drawings.
Cherniak, S	05/14/2020	2.2	Execute and send listing agreement. Review documentation sent by CBRE. Review drawings sent by D. Brace. Review photos and drone footage re problems at rear of property. Call with D. Flett re same. Review of numerous emails re HSBC equipment. Emails re realtors gaining access to property.

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

Staff	Date	Time	Narrative
Flett, D	05/15/2020	3	Email and call with A. Clarke of Arlington Machinery re machine 55 move arrangements and issues; email with K. MacDougall, W. Dowson re Tuesday showings; call with W. Dowson re machine 55 removal, Yarmouth questions, clamp removal, staffing for next week, fire inspections and other issues; email with D. Brace re Troy fire inspection and monitoring; email and call with B. Bishop of Yarmouth re quote for foundation back-fill and re-grading, machinery sale to Infinity; email with S. Cherniak re Yarmouth quote for fill moving and grading; email to J. Harrison of CBRE with pdf documents of environmental assessments and soil remediation cost estimate; email from J. Nemers of Aird Berlis re first report.
Cherniak, S	05/15/2020	2.1	Review D. Flett email re changes to CBRE docs. Respond. Email to CBRE re same. Email from K. MacDougall re showings. Respond. Emails re HSBC equipment. Brief review of Aird Berlis edits to report. Respond. Review email re fire suppression.
Flett, D	05/19/2020	5	Email with M. Finnegan re CRA, insurance payment, bin removal; prepare prior week payroll and forward to S. Cherniak for approval; call with W. Dowson re real estate showings, photos of Fanuc robots, clamp removal; review Aird Berlis revisions and comments to First Report and Confidential Supplement; call with S. Cherniak to review revisions to first report and supplement, revisions to R&D for Properties; service list, 114 insurance policy, grading and fill repairs to building; review company bank account activity, journal entry for funds transferred to receiver account and revise R&D's re split of cash in bank for each company.
Finnegan, M	05/19/2020	1	Bill payments, payroll and receipt of and admit proof of claims.
Cherniak, S	05/19/2020	2.2	Emails re security billing. Review of Aird Berlis edits to report. Discuss changes with D. Flett schedule conference call. Approve payroll. Discuss email to RBC re repairs to building.
Flett, D	05/20/2020	5.5	Email with D. Brace, W. Dowson re Fanuc photos, Apex onsite, Staubli clamps; memo to S. Cherniak for bank's review with detail, photos, quote on backfill and grading work; review and download Fanuc robot photos from D. Brace; emails to A. Clarke of Arlington with Engel information; call with M. Finnegan re 2020 T4 numbers reported by CRA and cancellation of submission; call with W. Dowson re plant matters, Apex; email to J. Hayne of Infinity re Conair loader, photo of M55 interface; review old Otto appraisal, drawings and emails with S. Cherniak, J. Harrison of CBRE re ceiling height, plant layout, data room; revisions to first report, confidential supplement and email to J. Nemers of AB with comments.
Finnegan, M	05/20/2020	0.4	Deal with CRA and 2020 T4 submission error.
Cherniak, S	05/20/2020	1.8	Emails from CBRE re info for data room. Respond. Review of emails re HSBC equipment. Call with Aird Berlis re edits to report. Email to B. Lyle re service list. Review of email re repairs to outside for dealing with RBC.

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

Staff	Date	Time	Narrative
Flett, D	05/21/2020	6	Review July 2019 email correspondence, assigned life insurance policy information on file and prepare memo to S. Cherniak re Plastics policy renewal and 1142024 Ontario policy on financial statements; call with S. Cherniak re life insurance policies, Infinity, court report and fee affidavit; email with W. Dowson re Infinity onsite; email to G. Barill re June 2020 annual premium on Manulife policy and details/status of 1142024 Ontario policy; continue with and finalize affidavit of fees for first report; call with W. Dowson re Apex, Infinity, staffing; access CBRE data room; email to P. O'Gorman of RBC with details on life insurance policies and query re 1142024 Ontario policy.
Finnegan, M	05/21/2020	0.5	Discussion re grounds keeping services. Email to grounds keeper re contract and/or cost of services for grass cutting etc. April, 2020 bank statement reconciliations.
Cherniak, S	05/21/2020	1.6	Infinity response to service list. Send to Aird Berlis. Email re Court date. Review email re insurance policy. Call with D. Flett re same. Call with G. Smith re repairs to property. Send email re same. Discuss Slegers life co policies review email re same. Call with D. Flett re update on infinity. Review edits to court report. Discuss fee affidavit. Discuss infinity attendance at plant. Emails re landscaping.
Flett, D	05/22/2020	2.5	Calls with W. Dowson re staffing, and weekend coverage, grading and backfill project, bin disposal and other items; revise affidavit of fees and forward to S. Cherniak; email to B. Bishop of Yarmouth to authorize backfill and grading project; arrangements with M. Finnegan and process payment for bin disposal; call with J. Heather of SPH re grading and backfill project and steps re inspection and cancellation of open permit; call with B. Bishop of Yarmouth re approval to proceed with project and timing.
Cherniak, S	05/22/2020	0.5	Review fee affidavit. Emails re work to be done at plant.
Finnegan, M	05/25/2020	0.9	Arrange for skip pick up and emptying as well as payment re same. Pay receiver bill. Prepare draft April HST return.
Cherniak, S	05/25/2020	0.6	Review and execute fee affidavit. Email re insurance. Emails re landscaping.
Flett, D	05/25/2020	0.5	Call with W. Dowson re staffing, hours, backfill and grading project, other matters; email from G. Barill re life insurance policies; review and swear fee affidavit for first report.
Flett, D	05/26/2020	3	Call with S. Cherniak re payroll, court report, Great Lakes Trim, Infinity set-up, machine 55; prepare weekly payroll summary, forward to S. Cherniak and approve in RBC express; review April HST return; call with B. Bishop of Yarmouth and email with B. Wining of Infinity; review email and schedules from D. Josling of Entegrus re peak demand class and email reply outlining current situation and reduced peak demand; email with J. Harrison of CBRE re marketing.
Finnegan, M	05/26/2020	0.6	Bill payments and payroll.
Cherniak, S	05/26/2020	1.4	Review of Aird Berlis legal bill. Review of correspondence from SOB re Great Lakes. Review file. Respond. Review SOB response. Update Aird Berlis. Update from D. Flett on activity at plant. Review of emails to/from Infinity. Approve payroll. Emails from CBRE re photos at plant.

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

Staff	Date	Time	Narrative
Flett, D	05/27/2020	3.3	Call with W. Dowson re weekend staffing, schedule CBRE video; review W. Dowson expense report, forward for approval; call with J. Norman of Arlington re Engel 2200 removal, rigger attendance to quote, and arrangements with W. Dowson; call and email with D. Josling of Entegrus re class A opt-in option, continue as Class B for non-production continuation; review Entegrus invoice and update summary; call with A Bissell of Troy Fire and prepare summary of Troy services and monitoring schedule.
Finnegan, M	05/27/2020	0.5	Put affidavit of bills together and send to Aird Berlis. Pay bills.
Cherniak, S	05/27/2020	0.8	Emails re CBRE site visit. Review and approve water pump out bill. Update on HSBC equipment removal. Review of hydro bill. Update Harrison Pensa on court date.
Finnegan, M	05/28/2020	0.3	File April HST return.
Flett, D	05/28/2020	2.2	Email with J. Heather of SPH re project status; review email from S. Barill of Barill and Associates re life insurance policies and termination of 1142024 policy; review apex invoice for chemical disposal; email with J. Harrison of CBRE re marketing video arrangements; email to S. Barill with detailed request for information re 1142024 London Life policy; update payroll summary for WSIB premiums.
Cherniak, S	05/28/2020	0.5	Review of environmental invoice. Emails re insurance. Emails from realtor re photo shoot.
Flett, D	05/29/2020	0.2	Call with W. Dowson re staffing, backfill and grading, other plant matters.
		105.4	Total Time

Staff	Office	Position	Hourly Rate	Time
Cherniak, S	London	Sr. Vice President	\$525	22.7
Finnegan, M	London	Administration	\$175	8.0
Flett, D	London	Vice President	\$410	74.7
				105.4



Invoice # 07/06/2020
 Sle-Co Plastics Inc.
 HST Reg # 101518124RT0001

Ontario Superior Court of Justice
 80 Dundas Street
 London, ON N6A 6A3

July 6, 2020

Re: Sle-Co Plastics Inc., Sle-Co Properties Inc.,

For professional services rendered for the period June 1, 2020 through June 30, 2020 as per the attached detail:

Our Fee	\$47,000.00
Disbursements : mileage	<u>48.00</u>
Sub Total	47,048.00
HST	6,116.24
Total	<u>\$53,164.24</u>

REMITTANCE ADVICE

Cheque Payments to:
 BDO Canada Limited
 100-633 Colborne Street
 London, ON N6B 2V3

Invoice #	07/06/2020
Amount	\$53,164.24

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

July 6, 2020

For professional services rendered

Staff	Date	Time	Narrative
Flett, D	06/01/2020	4.5	Review email from S. Barill re 114 life insurance policy collapse and forward to S. Cherniak with comments; subsequent emails and review of documents with G. Smith, T. Hogan, S. Cherniak re RBC assignment of Manulife policy to Receiver, RBC security over 114 London Life policy, receiver review of funds from policy collapse; email with W. Dowson, and RBC Express approval of payment re bin disposal; review J. Nemers revisions and notes to first report, further revisions to report, supplement and email with S. Cherniak re issues, R&D cut-off; review Apex environmental disposal bill and memo to S. Cherniak re cost versus quote; forward release of assignment signed by RBC to S. Barill; email with J. Nemers re revisions to report and forward appendices.
Finnegan, M	06/01/2020	1.2	Pay bill. Arrange for garbage bin to be emptied. File administration. Call from CRA re WEPPA claim issue, refiled WEPPA claim as requested by CRA.
Cherniak, S	06/01/2020	1.8	Review edits to final report. Emails with Aird Berlis. Send executed report. Review emails re insurance. Get executed release from RBC. Call with G. Smith re CSV policy. Email to T. Hogan. Review response. Further response.
Flett, D	06/02/2020	3.5	Call with W. Dowson re Troy monitoring, bins, trailers, Yarmouth project and other matters; prepare weekly payroll, forward to S. Cherniak and approve in RBC Express; email to S. Barill re additional information on London life policy withdrawals; email with P. O'Gorman re 1142024; review Libro accounts with S. Cherniak; preliminary review of 2018-2020 RBC statements for 1142024 Ontario; summarize May payroll for WSIB.
Cherniak, S	06/02/2020	1.2	Review of payroll. Emails and review of docs re insurance proceeds. Call with D. Flett re same. Email to Libro requesting info re bank accounts. Email from CBRE. Review of email to RBC requesting stmts. Review response.
Finnegan, M	06/02/2020	0.5	Pay payroll, and other bills.
Finnegan, M	06/03/2020	0.7	Pay bills. Prepare WSIB payments.
Flett, D	06/03/2020	5.5	Review draft orders, notice of motion and service list and email to J. Nemers with revisions and comments; preliminary review of Libro statements; email with M. Finnegan re WSIB; call with S. Cherniak re service list, Libro accounts, additional trailer inventory, life insurance proceeds; prepare summary of 1142024 Libro account activity including pre-receivership transfers from RBC and London Life policy termination; prepare letter to Canada Life with attachments to request details of 2018-19 London life policy withdrawals; call with W. Dowson re weekly fire monitoring, trailers, Yarmouth; email to A. Brintnell of Troy re monitoring; email to T. Callard of Libro re closure of accounts, additional statements for 1142024 account; call with M. Finnegan re bins, disposal.

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

Staff	Date	Time	Narrative
Cherniak, S	06/03/2020	1.4	Review of requested information from Libro. Discuss with D. Flett. Review of further info request from Libro. Discuss additional trailers at plant and Infinity. Review of request from Canada Life and BDO response. Review of motion materials and BDO edits.
Flett, D	06/04/2020	2.5	Brief review of motion record issued by Aird Berlis; review email from A. Lemay of Great Lakes Trim and emails with S. Cherniak and S. Mitra re additional queries; review 2018-2019 Libro statements for 1142024 Ontario and memo to S. Cherniak; review RBC statements for Properties forwarded by P O'Gorman.
Cherniak, S	06/04/2020	1.8	Review of motion record. Send to Superintendent of Bankruptcy. Review of email from Great Lakes Trim. Emails to Aird Berlis re same. Set up call. Call from T. Hogan re report. Review of statements from Libro re CSV. Review of email from A. D'Ascanio.
Flett, D	06/05/2020	0.3	Email with T. Callard of Libro re account closure; email with A. Brintnell of Troy Fire re monitoring requirements and recommendations.
Cherniak, S	06/05/2020	0.3	Update on fire suppression. Update on cheques from Libro.
Flett, D	06/08/2020	3.7	Review draft 2019 Plastics financial statements, Receiver accounting, first report and prepared detailed analysis/memo to further Great Lakes Trim queries; email with W. Dowson re weekly hours, Troy Fire Safety; email to S. Cherniak re Troy monitoring, insurance considerations.
Cherniak, S	06/08/2020	0.5	Review D. Flett draft response to Great Lakes Trim. Discuss with J. Nemers. Email re pump.
Flett, D	06/09/2020	3	Prepare weekly payroll, forward and review with S. Cherniak; calls with W. Dowson re Troy monitoring, staffing, bins, Yarmouth backfill project; emails with A. Brintnell re pump monitoring and inspections; call with J. Nemers and S. Cherniak re response to Great Lakes Trim enquiries and review draft response and emails from J Nemers; RBC Express approve payroll and MCQ payments.
Finnegan, M	06/09/2020	1	Bill payments. Payroll payment, arrange garbage bin emptying.
Cherniak, S	06/09/2020	1.6	Revise call and email with Aird Berlis. Review of draft response from Aird Berlis. Email to Mitra re potential issues re Court date. Review of email and call from A. Agemy. Emails re plant update. Review of email and letter from SOB and send to Aird Berlis. Approve payroll. Question hours.
Flett, D	06/10/2020	5.3	Review emails from A. Agemy of Great Lakes Trim; emails and call with S. Cherniak re response to Great Lakes Trim; email with W. Dowson re fire monitoring, bins; call with M. Sharifi of Axiom re potential lease of facility and machines and email to S. Cherniak; email with S. Barill re Manulife policy premium notice and Canada life response to query; call with S. Cherniak re Axiom enquiry, Great Lakes Trim response; further email with S. Barill re Manulife policy, review premium notice and forward to S. Cherniak for approval; revisions and update to summary of 1142024 Libro account activity, memo to S. Cherniak and emails re Libro accounts; call with M. Finnegan to review union gas account, credit forward and bills to be paid; email to T. Callard of Libro re funds transferred from 1142024 account; review draft further email to Great Lakes Trim from Aird Berlis and emails from S. Mitra, J Nemers.

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

Staff	Date	Time	Narrative
Finnegan, M	06/10/2020	0.7	Receipt of WEPPA payment confirmation. Check bank account for Libro funds expected, pay life insurance policy invoice.
Cherniak, S	06/10/2020	1.9	Emails from Aird Berlis re Great Lakes Trim. Respond. Email from J. Nemers. Call with D. Flett re response. Call with S. Mitra re response. Review of draft email. Listen to v/m. Review of emails re Libro account activity and chart. Review of email to Libro. Review of correspondence re Slegers life policy. Authorise payment. Call with D. Flett re potential lease opportunity. Email to MacDougall re update.
Finnegan, M	06/11/2020	0.5	Prepare draft May, 2020 HST return
Flett, D	06/11/2020	4.5	Call with S. Cherniak re request to Libro for banking information, Great Lakes Trim request for information; email with T. Callard re basis for request on account 1142024 funds transferred to; attend at Sle-Co plant, tour facility and review Infinity set up status, backfill and grading project, staffing; large quantity of records, train bay fencing and alarm; email to S. Barill re Canada Life contact person; update machine and equipment notes and review asset list re CAMI assembly cells, machine 12; email to W. Dowson, S. Cherniak re machine 12.
Cherniak, S	06/11/2020	0.8	Review of Libro response to request for statement info. Call with D. Flett re response. Review and edit. Response. Call with G. Smith to update on various matters. Emails re Great Lakes Trim and court date. Discuss with D. Flett. Review of emails re Canada Life.
Cherniak, S	06/12/2020	0.5	Review and approval of alarm invoice. Update on infinity progress.
Flett, D	06/12/2020	1.1	Review A&J Electric invoice; email with S. Cherniak re A&J, security requirements, staffing, Infinity; email with S. Barill re Canada Life policy, contact information.
Finnegan, M	06/15/2020	0.7	Cancel security drive by inspections at plant. Pay bill and file HST return. Mail out bill payments.
Cherniak, S	06/15/2020	2.8	Email from Slegers requesting info for Court. Conference call with Aird Berlis re same. Conference call re Court application. Follow up call with J. Nemers. Review of endorsement. Respond to Mitra. Call with MacDougall. Review marketing video. Discuss same with D. Flett. Review destruction of records. Email re Canada Life.
Flett, D	06/15/2020	4.5	Review queries from J. Slegers, emails with S. Cherniak, review asset lists and other preparation for court hearing; attend court hearing by teleconference; review CBRE marketing video and email with J. Harrison; call with S. Cherniak re records in front office, Slegers queries and IT access; email with J. Noonan of Arlington, W. Dowson re M55 rigging quote and removal; review Justice Grace endorsement and Orders, download orders and instructions to M. Finnegan re web site.

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

Staff	Date	Time	Narrative
Flett, D	06/16/2020	4	Call with S. Cherniak re orders as issued, Clek, J. Slegers queries to court, staffing and costs, Canada Life response re 1142024 policy; prepare weekly payroll, forward to S. Cherniak and approve in RBC Express; prepare summary of draft first report with full Clek comments for S. Cherniak review; review S. Cherniak emails with Infinity re closing; email with W. Dowson and J. Harrison re property showing; review cheques received from Libro, reconcile to bank statements and instructions to M. Finnegan for posting re entities and shares/cash split; email to L. Frazer of Canada Life re request for information on London Life policy withdrawals.
Finnegan, M	06/16/2020	0.5	File admin and payroll.
Cherniak, S	06/16/2020	2.4	Review of Orders. Call from T. Hogan re same. Review of emails to/ from Canada Life. Approve payroll. Email to Infinity re Order and finalizing sale. Discuss with D. Flett-order, Slegers, staffing at plant. Review of correspondence from Libro. Email to RBC/Harrison Pensa re same. Review of draft Clek materials. Email from Great Lakes Trim. Emails from CBRE re showing.
Finnegan, M	06/17/2020	0.3	Review HST NOA's and pay late fees.
Flett, D	06/17/2020	2.7	Review insurance policy summary, credits and premiums due; instructions to M. Finnegan re June 22 insurance payment; email with K. Viersen, D. Brace re Cisco equipment; review emails from S. Cherniak, J. Nemers and Infinity management re funds, closing of transaction; call with D. Brace re system email, Cisco leased equipment, real estate interested party and other plant matters; review reply from L. Fraser of Canada Life re 1142024 Ontario policy and review Libro, RBC 2018 statements.
Cherniak, S	06/17/2020	0.9	Emails from CBRE re updated site visit. Emails from Infinity re final payment. Email RBC and counsel re same. Review Aird Berlis response re Receivers Certificate.
Finnegan, M	06/18/2020	1	Pay bills, look for Infinity funds deposit and post all.
Flett, D	06/18/2020	2.3	Memo to S. Cherniak re 1142024 London Life policy activity and loan against cash surrender value; emails with J. Norman of Arlington re arrangements for rigging firm to quote machine 55; call with W. Dowson re rigger attendance, Yarmouth project, payroll, record disposal.; review email from K. MacDougall with real estate offer summary, brief memo to S. Cherniak on issues and reply to K. MacDougall.
Cherniak, S	06/18/2020	1.1	Call from CRA re filing claim. Review of offer on real property. Review of email from Great West Life on CSV policy. Review of emails re removal of equipment. Review of email re Cisco.
Flett, D	06/19/2020	0.3	Review S. Cherniak, K. MacDougall emails re Vaughan offer; review email storage and access issue with S. Cherniak.
Cherniak, S	06/19/2020	0.4	Email to RBC re offer. Review response. Email CBRE. Update from D. Flett on Slegers emails.
Flett, D	06/22/2020	2.2	Emails with D. Brace re email access and recovery; email with J. Harrison of CBRE re showing, backfill, grading and concrete removal project; review emails from W. Dowson re hours, expenses; review W. Dowson expenses forward to S. Cherniak with comments and approve in RBC Express; review Cisco equipment return and Dell lease with S. Cherniak.

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

Staff	Date	Time	Narrative
Finnegan, M	06/22/2020	1	Bill payments and file admin. Pay expense report. Search for confirm of payment to Entegrus Fibre and provide to supplier.
Cherniak, S	06/22/2020	1.8	Email from T. Hogan re Slegers. Email to Slegers re A/R. Update on Slegers email. Emails from CBRE re showings. Review and approve W. Dowson expense report. Call with Aird Berlis re Receivers Certificate and dealing with Infinity. Review of email re same. Update on leased assets. Call to CRA re filing claim. Review of bill.
Finnegan, M	06/23/2020	0.6	Payroll payments. Review Entegrus internet bills and make a payment.
Flett, D	06/23/2020	3.5	Prepare weekly payroll, forward to S. Cherniak and approve in RBC Express; review banking summary report; email with D. Brace re Cisco equipment; emails with S. Cherniak re possible company litigation with Roberts Onsite re Aisin; review S. Cherniak, A. D'Ascanio correspondence re CRA debts, bank shortfall and personal guarantee; prepare detailed memo to S. Cherniak and RBC re London Life policy cash surrender value, policy termination and activity in Libro bank accounts; review Maxill Real Estate offer and subsequent emails.
Cherniak, S	06/23/2020	2.2	Approve Sle-Co payroll. Response from Slegers on Clek A/R. Review of email from D'Ascanio re Slegers. Prepare and send response to RBC/T. Hogan. Review of email from Advocates re lawsuit expiration date. Discuss with D. Flett review response from T. Hogan re our response. Review D. Flett materials on Slegers re \$400k. Send response. Call with K. MacDougall re offer. Review offer. Send to RBC. Review response. Send to CBRE.
Finnegan, M	06/24/2020	0.5	Bill payments
Flett, D	06/24/2020	4	Review T Hogan email re Libro accounts and call with S. Cherniak; prepare schedule of estimated realizations and RBC shortfall; emails with K. Viersen of De Lage Landen and D. Brace re Cisco equipment recovery and photo; emails from J. Hayne of Infinity re site issues, call with S. Cherniak and subsequent call with J. Hayne, B. Lyle of Infinity re sale set up status, site issues; request and review Alarmtech activity report and call with S. Cherniak.
Finnegan, M	06/24/2020	0.1	Banking
Cherniak, S	06/24/2020	2.8	Email from RBC re interested party. Respond. Review of email from T. Hogan re obtaining info from Libro. Call with T. Hogan re same. Call with Libro re same. Call with Cassone re Libro refusal. Discuss updated realization schedule with D. Flett. Review of documents to send to Infinity. Send to Infinity. Review executed documents. Email from Infinity re problems at plant. Review email and photos. Discussion with D. Flett re same. Conference call with Infinity. Review of alarm report.
Flett, D	06/25/2020	0.4	Continue estimated realization analysis schedule
Cherniak, S	06/25/2020	0.3	Approve invoice. Review of Slegers statement of claim.
Flett, D	06/26/2020	4.5	Attend at 400 South Edgware and meet with J. Hayne of Infinity, D. Brace W. Dowson; review building security, Yarmouth backfill status, recent CBRE showings, staffing, machine 55 and other issues; call with W. Dowson re machine 55; prepare Receiver estimated realizations at June 26, 20 low, medium and high.

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

Staff	Date	Time	Narrative
Cherniak, S	06/26/2020	2.3	Attend at plant to deal with Infinity concerns. Meet with Receiver's staff and Infinity. Deal with Receivers certificate. Send to Aird Berlis and Infinity.
Flett, D	06/29/2020	4	Forward draft schedule of estimate realizations to S. Cherniak; email to J. Donsberger of Marsh re update, infinity sale, property and liability policy post July 31; detail email to W. Dowson, D. Brace re disposal of large quantity of records in SE corner of front office; review CRA correspondence and proof of claim; review and download Infinity closing documents; email to Marsh re deletion of coverage for Sle-Co owned equipment; email with S. Cherniak to obtain Manulife release signed by two RBC personnel and email with S. Barill to forward; email from K. Viersen re Cisco equipment recovery.
Cherniak, S	06/29/2020	1.4	Review of revised estimate of loss for RBC. Review of emails re insurance. Review of email re Manulife. Send to RBC. Send back executed form. Send D. Flett closing documents re Infinity. Review of CRA POC's. Review of email re clean up. Update on removal of machine 55.
Flett, D	06/30/2020	3.5	Prepare weekly payroll, forward to S. Cherniak and approve in RBC express; call with W. Dowson re staffing, machine 55, infinity, records, fire monitoring; calls with A. Bissell of Troy and review monitoring schedule; review estimated realization schedule assumptions with S. Cherniak, revisions and formatting and forward to S. Cherniak with comments; review email from K. MacDougall of CBRE and 1803299 Ontario offer; review and summarize Metrix appraisal and Avison Young opinion of value re building comparables.
Cherniak, S	06/30/2020	1.3	Approve payroll. Update on status of employees at plant. Discuss edits to security position. Review revisions. Send to RBC/Harrison Pensa. Review email from Manulife. Review of offer. Email to CBRE.
		110.6	Total Time

Staff	Office	Position	Hourly Rate	Time
Cherniak, S	London	Sr. Vice President	\$525	31.5
Finnegan, M	London	Administration	\$175	9.3
Flett, D	London	Vice President	\$410	69.8
				110.6



Invoice # 10012020
 Sle-Co Plastics Inc.
 HST Reg # 101518124RT0001

Ontario Superior Court of Justice
 80 Dundas Street
 London, ON N6A 6A3

October 1, 2020

Re: Sle-Co Plastics Inc., Sle-Co Properties Inc.,

For professional services rendered for the period July 1, 2020 through September 30, 2020 as per the attached detail:

Our Fee	\$91,000.00
Disbursements : mileage	_____
Sub Total	
HST	11,830.00
Total	<u>\$102,830.00</u>

REMITTANCE ADVICE

Cheque Payments to:
 BDO Canada Limited
 100-633 Colborne Street
 London, ON N6B 2V3

Invoice # 10012020

Amount \$102,830.00

October 1, 2020

For professional services rendered

Staff	Date	Time	Narrative
Finnegan, M	07/02/2020	0.7	Bill payments and payroll payment.
Flett, D	07/02/2020	3	Call with W. Dowson re staffing and coverage, Yarmouth project, records; review CBRE opinion of value and prepare summary document of comparables in St. Thomas; call with S. Cherniak re 1803299 offer conditions, offer price and Receiver counter offer; prepare memo S. Cherniak to summarize additions, deletions and revisions in Receiver counter offer for 400 South Edgeware; emails with J. Norman of Arlington re machine 55 removal and brief memo to S. Cherniak.
Cherniak, S	07/02/2020	1.1	Discuss offer with D. Flett. Review edits. Call with G. Smith re offer. Send email re same. Emails re HSBC equipment removal. Email re showing.
Flett, D	07/03/2020	2.7	Call with W. Dowson re staffing, weekend Yarmouth coverage, emails with J. Norman of Arlington, re machine 55 removal, Fanuc robot; email with J. Hayne of Infinity re M55 and Fanuc robot removal, clamps and loader, status of interface; email with W. Dowson; review correspondence with De Lage, website and call to B. Shook of Knowledge re Cisco equipment removal; review receiver counter offer on real estate and S. Cherniak email to MacDougall.
Finnegan, M	07/03/2020	0.1	Receipt of WEPPA payment confirmation.
Cherniak, S	07/03/2020	1	Emails re HSBC machine. Attend at office to prepare and send counter offer.
Flett, D	07/06/2020	1.4	Email with W. Dowson re hours, Yarmouth; call and emails with B. Shook of Knowledge re cisco equipment pick up; email with D. Brace re cisco arrangements; email with T. Saubolle of Marsh re coverages, ongoing insurance; email with M. Finnegan re MCQ, bin pick-ups.
Finnegan, M	07/06/2020	0.5	File administration.
Cherniak, S	07/06/2020	0.4	Emails re insurance. Update on SRED claim.
Flett, D	07/07/2020	1.3	Prepare weekly approval and approve in RBC express; emails with B. Hook of Knowledge Direct and D. Brace re arrangements for Cisco equipment pick up; emails with J. Hayne of Infinity re machine 55 interface, Arlington removal of machine 55 and robot.
Finnegan, M	07/07/2020	0.4	Complete payroll payments.
Cherniak, S	07/07/2020	0.4	Emails re HSBC equipment. Approve payroll. Update on CISCO equipment.
Flett, D	07/08/2020	0.2	Call with K. Plonka of CRA Appeals re 2017 SRED claim.

Sle-Co Plastics Inc., Sle-Co Properties Inc., 1142024 Ontario Inc.

Staff	Date	Time	Narrative
Flett, D	07/09/2020	4	Calls and email with L. Bellis of CRA re 2018, 2019 SRED claims and authorization for CRA to provide proposal letter by email; email to S. Schweighofer to update; brief review of correspondence from Kennaley Law to RBC re Raussan lien claims; calls, text messages with A. Bissell of Troy and D. Brace re monthly fire monitoring arrangements; brief review of CRA proposal letter, adjustment schedule and correspondence re 2018 and 2019 SRED claims and forward to Schweighofer of Business Improvement Group; emails with B. Shook of Knowledge and D. Brace re Cisco equipment pick up, request and review bill of lading; review annual fire alarm system test and inspection report, deficiency quotation and email to T. Brintnell of Troy re queries.
Cherniak, S	07/09/2020	0.7	Review of correspondence from Harrison Pensa re construction liens. Emails re SRED claim.
Flett, D	07/10/2020	1.3	Review email and further SRED report from L. Bellis of CRA and forward to S. Schweighofer; email with D. Brace re Cisco; emails with S. Barill re Manulife insurance policy, review Manulife summary report, assignment document and email with S. Cherniak re execution by Receiver.
Cherniak, S	07/10/2020	0.8	Review of SRED claims and emails thereto. Execute assignment of life policy.
Finnegan, M	07/13/2020	0.5	Bill payment and mail out cheques.
Flett, D	07/14/2020	1.8	Prepare weekly payroll summary and approve in RBC Express; review HST, preparation of financial statements, loss carryback, system access and other issues with S. Cherniak; review monthly inspection reports from Troy and forward invoice to S. Cherniak for approval; review memo from S. Schweighofer of BIG re review of CRA schedules and reports on 2018/2019 SR&ED; emails with CBRE, W. Dowson re showing; brief review of email from M. Mccallum summarizing 1803299 Ontario counter offer; review 400 South Edgeware marketing activity report from CBRE.
Finnegan, M	07/14/2020	0.4	Weekly payroll.
Cherniak, S	07/14/2020	1.5	Approve payroll. Review fire safety invoice. Review counter offer. Review CBRE marketing. Report. Email from RBC re update. Respond. Send email to RBC with marketing report and discuss offer. Review of correspondence re Slegers insurance assignment. Review of detailed email re SRED claim and BDO response.
Flett, D	07/15/2020	4.5	Call with A. Brintnell of Troy LFS re annual fire inspection; review 1803299 counter offer; call with S. Cherniak re Axiom enquiry, 1803299 condition to pre-occupy, fire system deficiencies and remedy; email with M. Sharifi of Axiom re enquiry to lease machinery and premises, outright purchase scenario; email to A. Brintnell of Troy to authorize; attend at plant and review various issues with D. Brace and W. Dowson including machine 55 removal, accounting system access, 1803299 occupation proposal, 20T crane, Yarmouth grading and backfill.

Staff	Date	Time	Narrative
Cherniak, S	07/15/2020	1.1	Review of SRED emails. Discuss offer with D. Flett. Listen to V/M of interested party. Discuss same with D. Flett. Email to/from party. Update on staff from D. Flett.
Flett, D	07/16/2020	3.3	Call with S. Cherniak re 1803 offeror request to occupy pre November 30, machine distribution panels, 20T crane and other matters; email with J. Norman of Arlington re machine 55 removal; review emails with CBRE re offer received, queries from today's showing; memo to S. Cherniak re April 30, 2019 financial statements, loss carry back income tax return and return to bankruptcy date; review CRA SRED proposal letter and adjustment schedule and email to L Bellis of CRA; review counter to 1803299 and S. Cherniak email; voice mail from Troy and texts with D Brace re fire monitoring.
Cherniak, S	07/16/2020	2.9	Emails re accepting SRED claim. Review email re update on HSBC equipment. Call from D. Flett re update on potential for purchaser occupation. Discussion and review of photo re electrical panel. Prepare and send counter offer to RBC for approval. Review response. Send counter to CBRE. Review second offer. Send to RBC. Respond to CBRE no counter. Email from CBRE requesting info re a tour today. Review of draft email to Davis Martindale.
Finnegan, M	07/17/2020	0.3	Bill payment.
Cherniak, S	07/17/2020	0.5	Call with CBRE re counter offer to McLaughlin. Emails re insurance policy.
Flett, D	07/17/2020	1.3	Email to W. Dowson re Arlington removal of machine 55; emails with T. Saubolle of Marsh re policy renewal for building and liability and provide detail of current security and fire system arrangements; emails with B. Snook of Knowledge Direct, D. Brace re Cisco equipment recovered by Knowledge.
Flett, D	07/20/2020	3.3	Email with S. Barill re Manulife policy assignment; email to T. Saubolle of Marsh re security measure; email from L. Bellis of CRA re SRED acceptance; call with W. Dowson, D. Brace on several issues incl. Yarmouth, machine 55 removal; review grading and backfill photos; review D. Brace email re Toshiba 1450; review 1803299 counter offer and R. Fisher comments; call with W. Dowson re distribution panels; review Infinity appraisal, Schedule A and RBC lease and memo to S. Cherniak re crane, panels, 1803299 offer; email with A. Bissel of Troy re pump monitoring.
Cherniak, S	07/20/2020	0.7	Email re insurance policy. Call from K. MacDougall re offer. Review of offer. Email to D. Flett. Review of email from CRA re SRED.
Finnegan, M	07/21/2020	0.7	Email correspondence with ex employee re status of WEPPA claim. He may not be a permanent resident so may not be entitled. Payroll and bill payment.

Staff	Date	Time	Narrative
Flett, D	07/21/2020	5.5	Prepare weekly payroll, forward to S. Cherniak and approve in RBC Express; sign off on SRED acceptance and email with L. Bellis of CRA to forward and S. Schweighofer to advise; call with S. Cherniak re crane, distribution panels, 1803299 counter offer, sale timing and related issues; arrangements with plant and email with CBRE for short notice showing of property; call with W. Dowson re distribution panel cost, removal issues and potential value; review Troy LFS statement and monitoring services with M. Finnegan and emails with A. Bissell of Troy re invoices not received, annual inspection findings; review additional documents and invoices from Troy; call with S. Cherniak re distribution panels, wiring, 1803299 offer; prepare June payroll summary for WSIB and forward to M. Finnegan for processing; emails with J. Norman of Arlington and W. Dowson re postpone M55 removal, electrical disconnect and other matters; call with S. Cherniak re 1803299 offer and email memo re revisions to agreement for conditional period to not exceed Sept. 15; call with J. Norman of Arlington re M55 additional measure by riggers and removal timing.
Cherniak, S	07/21/2020	1.5	Call to B. Lyle re equipment for real estate deal. Discuss with D. Flett. Approve payroll. Emails re security system and HSBC equipment. Emails from CBRE re showings. Email to SRED provider re CRA. Draft email to Davis Martindale.
Finnegan, M	07/22/2020	0.2	Prepare WSIB payment.
Flett, D	07/22/2020	3.5	Call with W. Dowson to review M55 removal issues, considerations and timing, real estate showing; email with J. Hayne of Infinity re M55 removal, direction re robot arming tooling, conveyor and thermolators; brief memo to S. Cherniak re M55 removal, HSBC related costs; email with CBRE re July 27 showing; review email from A. Bissell of Troy LFS re annual inspection and attached sprinkler, pump and hydrant reports, email reply to A. Bissell re annual inspection, invoice not received and future invoicing; review D. Brace memo re fire monitoring; review email from J. Hayne of Infinity with values for items included in 1803299 offer and email to S. Cherniak with comments; review S. Cherniak email to B. Barran of Davis Martindale; review email from T. Saubolle of Marsh re credit for property value changes; review summary of proposed renewal policies from Marsh email with T. Saubolle on queries.
Cherniak, S	07/22/2020	1.7	Emails re insurance review of renewal policy. Emails re payment terms. Review of Infinity response to equipment prices. Call to CBRE. Emails re HSBC equipment. Review of email from T. Hogan re Slegers. Review RBC response. Call with T. Hogan re same. Review and approve fire safety invoices.

Staff	Date	Time	Narrative
Flett, D	07/23/2020	3.5	Call with W. Dowson, D. Brace re Infinity request for removal of Toshiba machines, M55 removal, real estate showing and related issues; email with B. Hook of Knowledge re recovery of additional Cisco equipment; call with A. Brintnell of Troy LFS re sprinkler/wet system annual inspection and deficiencies noted; call with S. Cherniak re Infinity request to remove Toshiba machines, ongoing arrangements and costs of pre-sale machine removal; emails with J. Hayne re Toshiba machine removal issues, timing and receiver requirements for pre-sale machine removal; review CRA final letter re 2018 and 2019 SRED; email with S. Cherniak re insurance renewal, Marsh proposal; instruct T. Saubolle of Marsh to bind coverage; review email from B. Barran of Davis Martindale and provide detailed reply regarding 2019 financial statements and tax filings.
Cherniak, S	07/23/2020	1.4	Review of email re removal of assets by Infinity and use of our staff. Discussion with D. Flett re same. Review of email exchange. Review of response from B. Barran re statements and tax returns. Call with B. Barran re same. Update D. Flett. Emails re insurance.
Finnegan, M	07/24/2020	0.3	Bill payment.
Cherniak, S	07/24/2020	0.8	Review of counter. Call with Macdougall. Email to RBC. V/m from D. Flett re HSBC equipment. Review of BDO email to Davis Martindale. Email from insurer.
Flett, D	07/24/2020	1	Call with W. Dowson re Infinity machine removal, M55 rigger assessment and machine preparation for moving, Yarmouth status; voice mail for S. Cherniak re M55 issue and resolution; voice mail from and email with J. Norman of Arlington re M55 removal timetable; review emails from S. Cherniak re 1803299 offer.
Flett, D	07/27/2020	4.5	Emails with D. Brace, W. Dowson re M55 removal, hours, Infinity, additional Cisco equipment shipped out, real estate showing and other matters; review email from A. Bissell of Troy LFT and annual fm200 reports; review K. MacDougall summary of revised 1803299 Ontario offer and email re showings; review confirmation of binding from Marsh and email with T. Saubolle; prepare letter to Dell Financial re valid security interest in leased equipment and notify to recover; brief memo to S. Cherniak re Dell with draft letter; call with W. Dowson re M55, Toshiba removal status, real estate showing, SPH inspection of backfill; email with S. Cherniak re issuance of Dell letter; review HST return and email with M. Finnegan; email to J. Heather of SPH re backfill and grading completion; review , accepted APS for real estate, S. Cherniak emails re real estate and CBRE file share data room.
Finnegan, M	07/27/2020	0.3	Begin to prepare June HST return.
Cherniak, S	07/27/2020	1.2	Updates on machine removal. Review of email re repair work being completed. Deal with offer. Email to CBRE and RBC.
Finnegan, M	07/28/2020	1.2	Review June HST return and file. Weekly payroll payment. Pay general bills. Pull utilities bills paid and scan to file.

Staff	Date	Time	Narrative
Flett, D	07/28/2020	4	Prepare weekly payroll, forward and approve in RBC Express; call with J. Hayne of Infinity re machine pre-sale removal arrangements, conditional sale of real estate, distribution panels; call with S. Cherniak with review seller deliveries for 1803299 conditional sale of real estate, continued marketing; email to D. Brace re mezzanine records, construction lien files to be pulled; email to M. Finnegan with instructions for utility bills re 1803299 deliveries; call with J. Norman of Arlington re M55 removal timetable and labour costs; email to J Norman re labour cost for M55 removal over weekend; review utility bills.
Cherniak, S	07/28/2020	1.5	Review and approve payroll. Emails and calls re machine 55 and problems thereto. Email from MacDougall. Call with Lyle. Email back to MacDougall. Update re work done outside and review email from engineer. Discuss requirements to be sent to purchaser re deal. Review emails re same.
Flett, D	07/29/2020	4.5	Call with W. Dowson re plant coverage for M55 removal over upcoming weekend, Infinity time tracking and other issues; compile tracking schedule of labour from July 15 for Infinity and several related emails with W. Dowson, D. Brace to confirm; prepare detailed email to J. Norman of Arlington Machinery re reimbursement of receiver costs for Engel duo removal assistance and plant coverage over upcoming long weekend; emails with SPH, J. Yolkowskie of City St. Thomas and S. Cherniak re site inspection of backfill, cancellation of Sle-Co permit; email with P. Huang re interest in equipment; prepared lengthy email to CBRE with status and detail of 1803299 Ontario Seller deliveries plus property tax, utility attachments.
Cherniak, S	07/29/2020	0.8	Email to/from CBRE. Review of D. Flett email to CBRE re requisitions for purchaser. Emails from Infinity re update. Emails re building inspection.
Flett, D	07/30/2020	2.7	Emails with T. Brintnell of Troy and onsite staff re fire extinguisher repairs; email with J. Harrison of CBRE and onsite staff re real estate showing, seller deliveries; email with W. Dowson, J. Norman re M55 weekend schedule; brief call with M. Finnegan re compaction bin rental; call and message for C. Plonka of CRA re 2017 SRED claim; review invoices for renewal insurance policies and emails with T. Saubolle of Marsh re payment, named insured and property endorsement and credit for change in values.
Cherniak, S	07/30/2020	0.5	Review of emails from CBRE. Review of various emails re insurance.
Flett, D	07/31/2020	1.5	Email with D. Brace, J. Harrison of CBRE re showing; voice mail from C. Plonka of CRA re 2017 SRED; email with M. Finnegan re renewal insurance payments; review and sign insurance renewal cheque; voice mail, email and review memo Davis Martindale re statements to be filed, tax losses, outstanding fees.
Finnegan, M	07/31/2020	0.3	Prepared cheque for insurance.
Finnegan, M	08/04/2020	0.5	Payroll payment. Reconcile June, 2020 cdn bank statement.

Staff	Date	Time	Narrative
Flett, D	08/04/2020	3.5	Email with W. Dowson, D. Brace re weekend inspection, Millcreek; prepare weekly payroll, forward and approve in RBC Express; review Troy Fire invoice re fire extinguisher repairs and forward for approval; call with C. Plonka of CRA re 2017 SRED, non-refundable portion allowed and proposal letter to be issued; email with G Smith re 1803299 offer conditions; review Allied endorsement for property coverage change for sale to Infinity, update policy/premium summary schedule and email with T. Saubolle of Marsh; emails with S. Schweighofer re SRED rates, 2017 non-refundable credit and prior year taxable income; prepare summary schedule of CRA accounts - source deduction arrears less SRED, loss carry back credits.
Flett, D	08/05/2020	2.5	Emails with J. Harrison of CBRE, S. Cherniak, W. Dowson re conditional buyer showing; email from S. Schweighofer re SRED / loss carryback; emails with J. Hayne of Infinity re real estate buyer; call with W. Dowson re M55 removal, city permit cancellation, engineer inspection; emails with J. Norman of Arlington re reimbursement of W. Dowson labour costs; email with S. Barill re assignment of Manulife policy to receiver.
Finnegan, M	08/05/2020	0.3	Prepare hydro payment.
Finnegan, M	08/06/2020	0.3	Pay bill.
Flett, D	08/06/2020	1.5	Review Troy Fire invoices, A. Bissell emails. Inspection reports, weekly pump rate, summarize and forward for approval; email and call with J. Hayne of Infinity re 1803299 meeting, possible asset sale and early occupancy; email memo to S. Cherniak re call with J. Hayne.
Flett, D	08/07/2020	0.3	Update labour summary schedule re Arlington and email to W. Dowson; review payroll with M. Finnegan.
Finnegan, M	08/07/2020	0.7	Pay bills.
Cherniak, S	08/09/2020	0.5	Review of various emails while on vacation.
Flett, D	08/10/2020	0.4	Call and email with W. Dowson re M55 removal, hour on projected chargeable to Arlington, weekly hours; call with S. Cherniak to update re M55, Infinity, real estate offer.
Cherniak, S	08/10/2020	0.2	Update on machine 55 and real property deal.
Cherniak, S	08/11/2020	0.2	Approve payroll. Review of invoice.
Flett, D	08/11/2020	1.7	Prepare and process payroll; email with J. Heather of SPH; review email and update hours log for W. Dowson hours chargeable to Arlington; review Millcreek invoice, emails with W. Dowson and forward for approval; email with A. Bissell, A. Brintnell of Troy.
Flett, D	08/12/2020	2.2	Attend at Sle-Co and review backfill project completion with J. Heather of SPH and W. Dowson; review status of other projects and tasks, Arlington hours with W. Dowson, D. Brace; review Marsh credit invoice for property coverage revision for Infinity sale; update schedule for Arlington hours to be reimbursed.
Cherniak, S	08/12/2020	0.3	Review of backflow invoice. Call with T. Hogan re building sale.
Cherniak, S	08/13/2020	0.1	Review of invoice for Arlington.

Staff	Date	Time	Narrative
Flett, D	08/13/2020	1.7	Update W. Dowson hours re M55 removal, prepare invoice for labour reimbursement to Arlington Machinery and email with J. Norman with invoice; update labour tracking for additional Dowson, Kleiman time for Infinity re M55; prepare July payroll summary for WSIB and forward to M. Finnegan; review 2018 financial statement for Properties, Holdco and memo from Davis Martindale on financial statements, tax returns.
Flett, D	08/14/2020	3.3	Email with N. Norman re M55 and forward invoice to M. Finnegan; prepare summary schedule of financial statements , T2 status, Davis Martindale fees owing and estimates to complete and issues to be addressed; call with D. Brace re office records; prepare memo to S. Cherniak re recommendation for retention, disposal and shredding of office records; email to D. Brace re confirmation of records instructions; email with S. Cherniak re financial statements and tax returns; review invoice from Yarmouth vs. Quotation for backfill and grading; email with J. Heather of SPH re backfill/grading; prepare weekly payroll and submit for approval, email to S. Cherniak.
Cherniak, S	08/14/2020	0.6	Update on machine 55. Email re record retention and destruction. Call from M. Vine re lien claims. Review of email re Davis Martindale.
Cherniak, S	08/17/2020	0.8	Approve payroll. Email from CBRE re attendance at plant. Review email re electrical. Respond.
Cherniak, S	08/18/2020	0.2	Approve payroll.
Finnegan, M	08/18/2020	1	Prepare payroll payment, pay bills, pay filing fees, and prepare further cheques.
Finnegan, M	08/19/2020	0.4	Bank statement reconciliation add activity fees to US bank account as per statement.
Flett, D	08/24/2020	2.5	Review Yarmouth invoice and forward to S. Cherniak for approval; call with S. Cherniak to review status of 1803299 conditional sale, G. Smith enquiry; email with W. Dowson re hours, electrical report; call with W. Dowson re distribution panel and electrical system issues on potential real estate sale, 1803299 enquiry, 750 machine removal; brief review of CRA 2017 SRED report; email with S. Schweighofer re 2018, 2019 NOA's; email with S. Barill re issues with assignment of Manulife insurance policy to receiver; arrangements with M. Finnegan and MCQ payment approval re compaction bins; review memo from W. Dowson re electric system.
Cherniak, S	08/24/2020	1	Emails and calls with RBC re real estate sale. Review invoice on remedial work. Discuss file with D. Flett. Review of email re SRED. Emails re Sleeper's policy.
Finnegan, M	08/24/2020	0.5	Arrange for compactor bins to be emptied. Make payment to MCQ re same.
Flett, D	08/25/2020	3	Call with W. Dowson re electrical system, house wiring vs. Machine electrical and review/download numerous photos of system; email to S. Cherniak to summarize electrical issues re 1803299 offer; call with D. Brace re records, shredding, 1803299 request for CAD files; call with A. Brintnell of Troy LFS and email to A. Bissell; prepare weekly payroll and approve in RBC Express; review 2017 CRA SRED report and email to S. Cherniak to summarize.

Staff	Date	Time	Narrative
Finnegan, M	08/25/2020	0.5	Prepare payroll payment.
Cherniak, S	08/25/2020	0.5	Review of emails re electrical and SRED. Approve payroll. Emails re building plans to McLaughlin.
Finnegan, M	08/26/2020	1	Receipt of WEPPA payment confirmation. Calls/emails re compactor bins to be removed.
Flett, D	08/26/2020	2.1	Text messages with D. Brace re bins, shredding; emails and calls with M. Finnegan re arrangements for compactor empty and recovery by lessor; call with W. Dowson and review photos re electrical and physical disconnection of compactors for removal; K. MacDougal email re 1830299 conditional offer.
Laura Hooper	08/26/2020	0.1	Banking.
Cherniak, S	08/26/2020	0.2	Call from K. MacDougall re waiver. Respond by email.
Flett, D	08/27/2020	3.5	Emails with S. Cherniak, CBRE, T. Hogan, G. Smith, W. Dowson re 1803299 waiver of conditions on real estate; lengthy call with S. Cherniak re financial statements and tax returns to be completed, Davis Martindale summary, security position for RBC and second report timing, distribution considerations; text message with D. Brace re compactor removal; revisions to statement and tax return summary by company for review with Davis Martindale; email to S. Cherniak re unpaid Davis Martindale invoices and WIP; prepare email to R. Gibbons re summary of statements and returns to be completed, outstanding invoices, call to discuss.
Cherniak, S	08/27/2020	1.6	Email from CBRE re real property deal firm. Execute and send waiver. Email to RBC. Review response re security position. Email from T. Hogan re same. Review of chart re Davis Martindale and discussion with D. Flett re same.
Flett, D	08/28/2020	4.5	Review Davis Martindale invoices, revised summary schedule of statements and tax returns and email to R. Gibbons of Davis Martindale re Davis Martindale preparation of returns and statements; prepare update security position for RBC including estimate of future operating costs, CRA position; emails with S. Cherniak, T. Hogan re construction lien claims, issues, support for amounts; call with D. Brace re machine operational videos, Raussan files Dell equipment, additional records and shredding, compactor removal mechanical considerations; email with A. Bissell, W. Dowson re Troy fire monitoring.
Cherniak, S	08/28/2020	1.4	Emails re Davis Martindale accounting issue. Review and discussion of security review with D. Flett. Emails and call with T. Hogan re liens. Update D. Flett.
Flett, D	08/31/2020	3.5	Continue with and finalize draft updated security position, review with S. Cherniak, revisions and forward to G. Smith of RBC; call with S. Cherniak re security position, review CRA claim, offsets, HST issues, RBC distribution; lien claims; calls and text messages with D. Brace, W. Dowson and Compaction Plus re compactor disconnection and removal; call with W. Dowson re hours, scheduling, letter from Receiver; prepare compensation confirmation letter for W. Dowson and forward; review Troy monthly invoice and forward; review email from R Gibbons of Davis Martindale and reply.
Finnegan, M	08/31/2020	0.5	Prepare and pay utility bills.

Staff	Date	Time	Narrative
Cherniak, S	08/31/2020	1.2	Call with T. Hogan re liens. Review of draft security position. Discuss with D. Flett. Review of RBC response. Respond to questions.
Finnegan, M	09/01/2020	0.5	Prepare and pay payroll.
Flett, D	09/01/2020	4.5	Prepare weekly payroll, email to S. Cherniak for approval with comments and approve in RBC Express; review 2018 Corp notice of reassessment re SRED, compare to SRED documents and email to S. Schweighofer, R. Gibbons; email from R. Fisher of CBRE re real estate buyer meeting onsite and emails with S. Cherniak, call with J. Hayne of Infinity; lengthy call with R. Gibbons of Davis Martindale re status of statements, tax returns, plan for filing, Davis Martindale invoices, additional information required, access to Sle-Co accounting for statements to receivership date; prepare summary of RBC and Libro statements in pdf on hand with receiver and forward to R. Gibbons with comments and SRED CRA reports and correspondence; review Entegrus invoice and email with M. Finnegan; call to St Thomas Police re reinstate patrols over labour day weekend; text with D. Brace re compactor removal.
Cherniak, S	09/01/2020	0.6	Review of email from CBRE re site visit. Respond and emails with D. Flett. Approve payroll.
Flett, D	09/02/2020	2.5	Review and compile unpaid Davis Martindale invoices for payment; email to and call with S. Cherniak re financial statements and tax returns, Sle-Co Properties accounting, tax considerations on real estate sale, Manulife policy assignment issues; review Troy Fire invoice, revised monitoring system/numbers and forward; review SPH second site report and email from J. Heather; email to W. Dowson re SPH, Yarmouth; update labour summary for W. Dowson hours on further Infinity machine sales and removals; emails with S. Barill re further issues with assignment of Manulife policy.
Cherniak, S	09/02/2020	0.8	Call with D. Flett re CBRE email. Call with K. Macdougall re same. Review of Manulife emails and discussion with D. Flett re same. Emails and calls from interested party. Respond.
Flett, D	09/03/2020	3	Text messages with D. Brace re weekend staffing, IT matters; email with S. Schweighofer re 2018 NOA, SR&ED claims; email with R. Gibbons of Davis Martindale re engagement by Receiver, 2018 NOA corp tax balance owing; review Davis Martindale engagement letters; review and compile Libro, RBC statements for 1142024 Ontario and forward to R. Gibbons; email with B. Barran of Davis Martindale re 2017 SRED, corp tax amount owing; review email from T. Saubolle of March re new policy endorsements and query re property coverage and sale of real estate.
Cherniak, S	09/03/2020	1.1	Review of emails with Davis Martindale. Review of engagement letters. Call with RBC re potential exposure re gain on land sale. Review of corr re SRED claims and insurance policies.
Cherniak, S	09/04/2020	1	Call with D. Flett re Dell. Execute and send Davis Martindale engagement letter. Review and approve invoices. Email with Slegers. Update on insurance.

Staff	Date	Time	Narrative
Flett, D	09/04/2020	4	Call with S. Cherniak re Dell lease equipment not claimed, Ricoh units and inclusion in Infinity sale; emails with S. Cherniak re construction liens; review S. Cherniak email with Davis Martindale re signed engagement letters; attend at Sle-Co and review various issues with D. Brace including records and shredding, Dell equipment and server room contents, stand alone system for future accounting access and notes to file; email with T. Saubolle of Marsh re real estate sale; review Dell lease documents and correspondence, email with J. Hayne of Infinity re inclusion of Dell equipment in sale.
Flett, D	09/08/2020	1.8	Prepare weekly payroll and approve in RBC Express; email with T. Saubolle of Marsh re refund cheque for coverage change; email with M. Finnegan re grass cutting, snow clearing; review Raussan, Jay Okkerse A/P files, legal file and brief memo to S. Cherniak.
Finnegan, M	09/08/2020	0.5	Bill payment and payroll.
Cherniak, S	09/08/2020	0.3	Review and approve payroll. Review supplier invoice. Update on insurance.
Flett, D	09/09/2020	4.2	Call with S. Cherniak, J. Slegers re construction liens and further call with S. Cherniak re memo to summarize; review documents re North Shore Farming lien and email with D. Brace; review CRA letter re 2017 corp tax and email to R. Gibbons of Davis Martindale; review email from Troy Fire and update monitoring account information; review Rassaun, Okkerse files re last invoices, date worked and prepare draft memo summarizing construction liens and BDO call with J. Slegers; review SPH invoice re backfill and grading project; call with Manulife re assignment of life insurance policy to Receiver; review S. Mitra, S. Cherniak emails re real estate sale to 1803299; review, sign Davis Martindale cheque.
Cherniak, S	09/09/2020	2.1	Conference call with Slegers re liens. Further call with D. Flett. Review of email summary. Send to Slegers. Call from party re purported ownership of forklifts. Review of email from Aird Berlis forwarded from Mackenzie Lake. Respond and send APS. Review of email to Davis Martindale re CRA correspondence.
Flett, D	09/10/2020	4.5	Call with S. Cherniak re previous real estate owner claim to forklifts, Rassaun construction lien status; prepare detailed email with several attachments to L. Panganiban of Manulife re assignment of J. Slegers life insurance policy to Receiver; brief review of Templeton order re Rassaun; email to J. Norman of Arlington re invoice; call with D. Brace re IT matters, Dell equipment, shredding, file to be located; email to D. Brace re asset details for Infinity; email with Manulife re issues on assignment of life insurance policy; review 2019 Corp Tax Notice of Assessment re SRED, loss carry backs and email to S. Schweighofer re SRED; review S. Mitra, S. Cherniak emails re court report, real estate closing; prepare email to R. Gibbons of Davis Martindale re system access, preliminary comments on 2019 NOA.
Cherniak, S	09/10/2020	1.6	Various emails re Manulife policy. Email to CBRE re deposit. Emails to/from Harrison Pensa re lien claims. Emails with Aird Berlis re deal. Review of email to counsel re real estate deal. Emails re CRA NOA with SRED provider. Email to/from Davis Martindale. Sign cheques.

Staff	Date	Time	Narrative
Finnegan, M	09/11/2020	0.5	Bill payments.
Flett, D	09/11/2020	3.3	Emails with Manulife and review confirmation of assignment of life insurance policy to receiver; review Troy statement, invoice and email with A. Bissell; email with J. Hayne of Infinity re computer equipment; call with D. Brace, W. Dowson re machine removal, asset inspection, plant hours, Dell equipment, IT matters, real estate closing date; prepare weekly payroll and forward for approval.
Cherniak, S	09/11/2020	1.2	Call with party re forklifts at Sle-co. Potential property claim. Review of assignment from Manulife. Review of correspondence from CRA and email to Davis Martindale. Deal with invoice. Update on plant activity. Email re Davis Martindale attendance at office.
Finnegan, M	09/14/2020	1	Prepare payroll. Prepare cheques for bill payments. Work on response to CRA request for HST for June/20 examination.
Cherniak, S	09/14/2020	0.6	Approve payroll. Call with D. Flett re call with McLaughlin. Email to CBRE.
Flett, D	09/14/2020	1.7	Emails with K. Moody of Absolute re shredding, recovery of consoles; call with W. Dowson re McLaughlin enquiry; call with E. McLaughlin re electrical concerns, fixtures vs. Infinity sale, meeting onsite; call with S. Cherniak to review McLaughlin query; review draft email from D. Brace to Infinity re IT matters, Dell, Ricoh equipment to be sold and call with D. Brace to review ongoing IT infrastructure requirements, Dell equipment, shredding consoles.
Cherniak, S	09/15/2020	0.4	Approve payroll. Call with K. Macdougall.
Finnegan, M	09/17/2020	0.5	Bill payments
Flett, D	09/18/2020	0.3	Call with W. Dowson re Infinity pre-sale viewing arrangements, McLaughlin negotiations on electrical; email with M. Finnegan, D. Brace re shredding arrangements, console pick up.
Flett, D	09/21/2020	4.5	Review invoices, agreement from Business Improvement Group re SRED claim and emails with S Schweighofer; review Troy Fire monthly invoice and forward; email from S. Cherniak re J. Slegers proposal; email from R. Gibbons of Davis Martindale re CRA authorization and email with S. Cherniak; email to S. Cherniak to update re Infinity sale arrangements, McLaughlin; D. Brace email re server room equipment; email from Troy Fire re weekly pump monitoring; Start second report to court of receiver.
Finnegan, M	09/22/2020	1	Payroll, send docs to CRA re HST examination.
Flett, D	09/22/2020	4	Prepare weekly payroll, forward and approve in RBC Express; review email from P. Trives, review asset listing and memo to S. Cherniak regarding forklifts claimed by P. Trives; call with W. Dowson regarding forklifts, sale activity and staffing and further email to S. Cherniak re Crown forklift; review email from T. Saubolle and email with M. Finnegan re insurance refund; call with S. Cherniak re forklift issue, second court report timing, real estate closing; brief review of J. Slegers NOI materials; call with D. Brace re IT matters, equipment to be retained; set-up of accounting system at Receiver's office; sale of Dell equipment.

Staff	Date	Time	Narrative
Cherniak, S	09/22/2020	1.5	Update on activity at plant. Review and approve various invoices. Emails re SRED claim. Review email from Davis Martindale re tax returns. Review email re forklift. Discuss with D. Flett. Email to Slegers re same and review response. Review Slegers proposal info. Respond to query from Harrison Pensa.
Finnegan, M	09/23/2020	0.5	Email to lawn/snow company re snow removal contract for 2020 winter. Contact CRA re authorizations on business account.
Flett, D	09/23/2020	5.5	Emails and call with D. Brace re Dell equipment inclusion in infinity sale, IT equipment to be excluded, stand alone system for accounting access; review S. Cherniak emails with Davis Martindale re CRA authorization and review RC 59 with M. Finnegan; summarize august payroll for WSIB return; emails with J. Norman re invoice; review CBRE reporting letter and email with M. McCallum re updated activity; revise summary of 114 Libro account activity; continue with 2nd report re life insurance policy, 114 Libro account, sale of 400 South Edgeware, receiver activity.
Cherniak, S	09/23/2020	1	Discuss report with D. Flett. Review of email to CBRE and response. Sign cheques. Deal with CRA authorization. Deal with landscaping request.
Cherniak, S	09/24/2020	1	Send CRA authorization to Slegers. Review response. Send to Davis Martindale. Approve invoice. Email to Aird Berlis requesting ILO for properties.
Flett, D	09/24/2020	3	Review Troy Fire monitoring invoices and forward recent monthly for approval; review S. Cherniak emails re RC 59 for CRA; review Aird Berlis security opinion to Trustee and email with S. Cherniak re proposed distribution and opinion for Properties Inc.; continue with 2nd report of Receiver.
Flett, D	09/25/2020	2.5	Email with K. Moody of Absolute Destruction, M. Finnegan re invoice payment; review email from Davis Martindale re RBC and Libro statements required for financial statements and email reply to clarify re Libro accounts for Properties; review bank statements on hand, Jan 2020 pre receivership RBC statements and org chart with account information Prepare detailed email to P. O'Gorman of RBC to request fiscal 2019 bank statements for Plastics and prior Sle-Co properties entities; detailed email to T. Callard of Libro to request fiscal 2019 bank statements for Plastics and Properties; brief review of CBRE updated reporting letter and email to J. Harrison re Ever Eco Plastics offer.
Flett, D	09/28/2020	3.5	Review Infinity sale status, labour to real estate closing with S. Cherniak; email from J. Harrison of CBRE with updated activity report; review, download bank statements provided by T. Callard of Libro and forward to R. Gibbons of Davis Martindale with comments; email with T. Callard confirming no accounts for Properties Inc predecessor companies; continue with 2nd report Libro, CRA, SRED; text message with D. Brace re alarm.
Finnegan, M	09/28/2020	1	Paying numerous bills.
Cherniak, S	09/28/2020	1.2	Discussion with D. Flett re staffing. Review of CBRE marketing report. Emails re CRA and signing authority. Emails re banking for Davis Martindale.

Staff	Date	Time	Narrative
Flett, D	09/29/2020	3.5	Email with R. Gibbons re RC 59 authorization, bank statements; email with T. Callard of Libro re 2018 statements for Properties predecessor companies; prepare weekly payroll, forward and approve in RBC express; emails with S. Holloway of Alarmtech, D. Brace re Entegrus system maintenance, alarm monitoring etc; Continue with 2nd report - CRA, DM, distribution and review A&B opinion to Trustee; email to S. Cherniak re need for further A&B opinion for Plastics secured creditors; start confidential supplement to 2nd report.
Cherniak, S	09/29/2020	1	Approve payroll. Emails and calls re RC59 form. Two calls with CRA. Call with J. Asma. Email to Davis Martindale.
Finnegan, M	09/29/2020	0.5	File administration.
Finnegan, M	09/30/2020	0.3	Bill payment.
Cherniak, S	09/30/2020	0.9	Call with D. Flett re visit to Sle-Co. Update on visit. Email from Dell. Discuss response with D. Flett. Question from D. Flett re report.
Flett, D	09/30/2020	3.5	Attend at plant and meet with D. Brace, W. Dowson re internet system and other IT matters, asset removal process, staffing, real estate closing date; text message with D. Brace re set up Sage system in BDO office; calls with S. Cherniak to update on plant, asset removal, labour and status of Dell equipment re enquiry received; email from A. Poirier of Dell; review Entegrus contract and emails with M. Finnegan.
		218.4	Total Time

Staff	Office	Position	Hourly Rate	Time
Cherniak, S	London	Sr. Vice President	\$525	45.60
Finnegan, M	London	Administration	\$175	17.90
Flett, D	London	Vice President	\$410	154.8
Hooper, L	London	Administration	\$175	0.1
				218.4

TAB J

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

- and -

**SLE-CO PLASTICS INC., SLE-CO PROPERTIES INC.,
and 1142024 ONTARIO INC.**

Defendants

**AFFIDAVIT OF DAMIAN LU
(sworn October 28, 2020)**

I, **DAMIAN LU**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for BDO Canada Limited, in its capacity as receiver (in such capacity, the “**Receiver**”), without security, of certain assets, undertakings and properties of Sle-Co Plastics Inc., Sle-Co Properties Inc., and 1142024 Ontario Inc. (collectively, the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors.
2. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Receiver, detailing its services rendered and disbursements incurred, namely:
 - (a) an account dated June 30, 2020 in the amount of \$4,405.31 in respect of the period from May 8, 2020 to May 31, 2020;

- (b) an account dated July 17, 2020 in the amount of \$10,681.20 in respect of the period from June 1, 2020 to June 30, 2020; and
- (c) an account sent October 26, 2020 and dated October 31, 2020, in the amount of \$2,291.87 in respect of the period from July 9, 2020 to September 30, 2020,

(the “**Statements of Account**”). Attached hereto and marked as **Exhibit “A”** to this Affidavit are copies of the Statements of Account. The average hourly rate of Aird & Berlis LLP is \$485.48.

3. Attached hereto and marked as **Exhibit “B”** to this Affidavit is a chart detailing the lawyers, law clerks and articling students who have worked on this matter.
4. This Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of)
 Toronto, in the Province of Ontario)
 this 28 day of October, 2020)

Lynn Tay)
 A commissioner, etc.)

Damian Lu
DAMIAN LU

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF DAMIAN LU

Sworn before me

this 28TH day of October, 2020

Lynn Tay

Commissioner for taking Affidavits, etc

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
 Toronto, Ontario, Canada M5J 2T9
 T 416.863.1500 F 416.863.1515
 airdberlis.com

BDO Canada Limited
 100 - 633 Colborne Street
 London, ON
 N6B 2V3

Attention: Mr. Stephen N. Cherniak

Account No.: 673778

PLEASE WRITE ACCOUNT NUMBERS
 ON THE BACK OF ALL CHEQUES

File No.: 13137/150905

June 30, 2020

Re: Sle-Co Plastics Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended May 31, 2020

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	08/05/20	0.40	\$270.00	Arrange for review of report and notice of motion and email exchange with J. Nemers
JTN	08/05/20	0.10	\$43.50	Email exchange with client re draft First Report and related matters
JTN	10/05/20	3.00	\$1,305.00	Engaged with review of, revisions to and further drafting of lengthy First Report
JTN	13/05/20	0.30	\$130.50	Telephone call with S. Mitra re draft report and related matters
JTN	14/05/20	0.80	\$348.00	Engaged with review of and revisions to draft confidential supplement; Email to S. Mitra re same; Email exchange with court office re court date
SPM	15/05/20	0.80	\$540.00	Review and provide comments on draft report
JTN	15/05/20	0.40	\$174.00	Receipt and review of minor suggested revisions to draft report from S. Mitra; Engaged with revisions; Email exchange with client re same and next steps
JTN	19/05/20	0.40	\$174.00	Email to court office re urgent hearing request; Email exchange with client

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	20/05/20	1.00	\$435.00	Attend on conference call with client re comments re draft report and draft supplementary report and related matters re court attendance and next steps
JTN	21/05/20	0.20	\$87.00	Email exchange with court office re hearing date; Email exchanges with client re same and service list
JTN	26/05/20	0.90	\$391.50	Receipt and review of email from client re update re court materials and related matters; Engaged with review of blacklined versions to draft report, draft confidential supplement, draft Canadian dollar statement of receipts and disbursements and draft U.S. dollar statement of receipts and disbursements; Engaged with drafting of notice of motion

TOTAL: 8.30 \$3,898.50

OUR FEE	\$3,898.50
HST at 13%	\$506.81
AMOUNT NOW DUE	<u>\$4,405.31</u>

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

40361982.1



Brookfield Place, 181 Bay Street, Suite 1800
 Toronto, Ontario, Canada M5J 2T9
 T 416.863.1500 F 416.863.1515
 airdberlis.com

BDO Canada Limited
 100 - 633 Colborne Street
 London, ON
 N6B 2V3

Attention: Mr. Stephen N. Cherniak

Invoice No.: 676354

PLEASE WRITE INVOICE NUMBERS
 ON THE BACK OF ALL CHEQUES
 File No.: 13137/150905
 Client No.: 13137
 Matter No.: 150905

July 17, 2020

Re: Sle-Co Plastics Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended June 30, 2020.

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	01/06/20	0.30	\$202.50	Email exchange with client re motion records
JTN	01/06/20	0.80	\$348.00	Engaged with further mark-up to draft report; Email exchanges with client re same; Arrange for finalization and swearing of fee affidavit; Attend to related matters as needed
KBP	01/06/20	0.50	\$262.50	Finalize and swear fee affidavit;
JTN	02/06/20	1.30	\$565.50	Engaged with drafting of ancillary order and revisions to draft approval and vesting order, notice of motion and service list; Email to client re same; Attend to related matters as needed
JTN	03/06/20	0.70	\$304.50	Engaged with finalization of motion record and tasks related thereto for service tomorrow
SPM	04/06/20	0.20	\$135.00	Email exchange with client
JTN	04/06/20	0.20	\$87.00	Receipt and review of email from A. Agemy; Email exchanges with client and S. Mitra re same
JTN	08/06/20	0.20	\$87.00	Receipt and review of email from client re next week's hearing; Telephone call with S. Cherniak re same

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	09/06/20	1.30	\$565.50	Attend on conference call with client; Engaged with drafting of email to A. Agemy; Email exchanges and telephone call with client and S. Mitra re same; Issuance of email to A. Agemy; Receipt and review of reply emails from A. Agemy
SPM	10/06/20	0.60	\$405.00	Email exchange and telephone call client re strategy and response to unsecured creditor; Telephone call J. Nemers
JTN	10/06/20	1.20	\$522.00	Email exchanges with client re Monday's hearing; Telephone call with S. Mitra re same; Receipt of voicemail from complainant; Prepare draft email to complainant; Attend to related matters as needed
JTN	12/06/20	0.10	\$43.50	Email exchange with court office re Monday's hearing
JTN	13/06/20	0.40	\$174.00	Telephone call with S. Mitra re Monday's hearing
SPM	14/06/20	0.60	\$405.00	Prepare for motion
JTN	14/06/20	0.50	\$217.50	Prepare for tomorrow's hearing
SPM	15/06/20	1.30	\$877.50	Review email from client with concerns from J. Slegers and telephone call client; Attend motion and report to client
JTN	15/06/20	2.10	\$913.50	Receipt and review of last minute list of questions and concerns from J. Slegers; Discussion with S. Mitra re same; Discussion with client re same; Prepare for hearing; Attend at hearing; Post-hearing discussion with client; Receipt and review of His Honour's endorsement
JTN	16/06/20	0.20	\$87.00	Instruct S. Moniz re service of Orders and endorsement from yesterday's hearing; Receipt and review of email from A. Agemy; Email to client re same
JTN	17/06/20	0.20	\$87.00	Email exchange with client re closing-related matters re Infinity
JTN	18/06/20	0.10	\$43.50	Instruct J. Yantzi re closing re Infinity transaction
JWVY	21/06/20	0.40	\$130.00	Review agreement of purchase and sale re closing deliverables and confer with J. Nemers

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	22/06/20	0.20	\$87.00	Telephone call with client re Infinity closing; Telephone call with J. Yantzi re same
JWVY	22/06/20	0.20	\$65.00	Telephone call with client; Email to client re sale transaction closing deliverables
JWVY	23/06/20	0.70	\$227.50	Review agreement of purchase and sale; Draft sale transaction ancillary documents; Prepare signature package
JTN	24/06/20	0.40	\$174.00	Telephone call with R. Kennaley re potential priority-related issues; Voicemail for T. Hogan re same
JWVY	24/06/20	0.10	\$32.50	Email to client
JTN	25/06/20	0.10	\$43.50	Email exchange with client and telephone call with J. Yantzi re closing of Infinity transaction
JWVY	25/06/20	0.20	\$65.00	Engage with executed closing documents and email to client re same
JTN	26/06/20	0.10	\$43.50	Email exchange with client re closing
TOTAL:		15.20	\$7,201.00	

OUR FEE \$7,201.00
 HST at 13% \$936.13

DISBURSEMENTS

Subject to HST

Photocopies/Scanning	\$1,650.75
Deliveries	\$519.39
Binding and Tabs	\$81.25
Total Disbursements	\$2,251.39
HST at 13%	\$292.68

AMOUNT NOW DUE \$10,681.20

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

40786558.1



Brookfield Place, 181 Bay Street, Suite 1800
 Toronto, Ontario, Canada M5J 2T9
 T 416.863.1500 F 416.863.1515
 airdberlis.com

BDO Canada Limited
 100 - 633 Colborne Street
 London, ON
 N6B 2V3

Attention: Mr. Stephen N. Cherniak

Invoice No.: 684844

SENT DATE: October 26, 2020

PLEASE WRITE INVOICE NUMBERS
 ON THE BACK OF ALL CHEQUES
 File No.: 13137/150905
 Client No.: 13137
 Matter No.: 150905

October 31, 2020

Re: Sle-Co Plastics Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended September 30, 2020

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	09/07/20	0.30	\$130.50	Receipt and review of construction lien-related communications provided by M. Vine; Email exchange with working group re same
SPM	09/09/20	0.40	\$270.00	Review email from McKenzie Lake re sale of real property and emails to client and R. Hooke
JTN	09/09/20	0.20	\$87.00	Receipt and review of email and letter from B. Mullin re purchaser; Consider same; Email to and telephone call with S. Mitra re same
SPM	10/09/20	1.00	\$675.00	Email exchange with client; Review agreement and email to client and opposing counsel; Arrange for approval motion
JTN	10/09/20	0.20	\$87.00	Telephone call and email exchanges with S. Mitra, client and R. Hooke re APA
JTN	11/09/20	0.70	\$304.50	Engaged with drafting of approval and vesting order re real property sale; Email to R. Hooke re same
RTH	14/09/20	0.50	\$362.50	Review APS, requisition letter; Pull parcel registers; Email to J. Nemers re AVO

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	24/09/20	0.10	\$43.50	Email exchange with client re security opinion re real property
TOTAL:		<u>3.40</u>	<u>\$1,960.00</u>	

OUR FEE \$1,960.00
HST at 13% \$254.80

DISBURSEMENTS

Subject to HST

Teraview Search \$68.20
HST at 13% \$8.87

AMOUNT NOW DUE \$2,291.87

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



Sanjeev P. Mitra

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF DAMIAN LU

Sworn before me

this 28TH day of October, 2020

Lynn Tay

Commissioner for taking Affidavits, etc

STATEMENT OF RESPONSIBLE INDIVIDUALS

Aird & Berlis LLP's professional fees herein are made with respect to the following individuals

Lawyer	Call to Bar	Hrly Rate	Total Time	Value
Sanj Mitra	1996	\$675.00	5.60	\$3,780.00
Jeremy Nemers	2014	\$435.00	18.70	\$8,134.50
Randy Hooke	1989	\$725.00	0.5	\$362.50
Kyle Plunkett	2011	\$525.00	0.5	\$262.50
Jonathan Yantzi	2019	\$325.00	1.6	\$520.00

**Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.*

ROYAL BANK OF CANADA

-and-

SLE-CO PLASTICS INC., et al.

Plaintiff

Defendants

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

Proceedings commenced at London, Ontario

AFFIDAVIT OF DAMIAN LU

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)

Tel: (416) 865-3085

Fax: (416) 863-1515

Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)

Tel: (416) 865-7724

Fax: (416) 863-1515

Email: jnemers@airdberlis.com

Lawyers for the Receiver

TAB 6

CONFIDENTIAL – APPENDIX “6”

(Subject to a request for a sealing order)

TAB 7

SERVICE LIST

TO: **ADVOCATES LLP**
255 Queens Avenue, Suite 1620
London, ON N6A 5R8

Angelo D'Ascanio
Tel: (519) 858-8220 x 232
Fax: (519) 858-0687
Email: a.dascanio@advocatesllp.com

Eric Grigg
Tel: (519) 858-8220 x234
Fax: (519) 858-0687
Email: e.grigg@advocatesllp.com

Lawyers for the Defendants

AND
TO: **BDO CANADA LIMITED**
633 Colborne St Unit 100
London, Ontario N6B 2V3

Stephen N. Cherniak
Tel: (519) 660-6540
Fax: (519) 439-4351
Email: scherniak@bdo.ca

David Flett
Tel: (519) 660-6540
Fax: (519) 439-4351
Email: dflett@bdo.ca

Receiver

AND
TO: **CASSELS BROCK & BLACKWELL LLP**
Suite 2100, Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

Monique Sassi
Tel: (416) 860-6886
Email: msassi@cassels.com

Lawyers for Triangle Logistics Solutions Inc.

AND

TO: **AIRD & BERLIS LLP**
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanj Mitra

Tel: (416) 865-3085
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers

Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for the Receiver

AND

TO: **THORNTON GROUT FINNEGAN LLP**
100 Wellington St W Suite 3200
Toronto, ON M5K 1K7

D.J. Miller

Tel: (416) 304-0559
Email: djmillier@tgf.ca

Adam Driedger

Tel: (416) 304-1152
Email: adriedger@tgf.ca

Lawyers for the HSBC Bank Canada

AND

TO: **KENNALEY CONSTRUCTION LAW**
58 Peel Street
Simcoe, ON N3Y 1S2

Robert J. Kennaley

Tel: (519) 426-2577
Fax: (519) 426-3777
Email: rjk@kennaley.ca

Lawyers for Rassaun Services Inc.

AND

TO: **KIRWIN FRYDAY MEDCALF LAWYERS**
100-140 Fullarton Street
London, ON N6A 5P2

Kevin J.F. Fryday

Tel: (519) 679-8800 x103

Fax: (519) 518-2362

Email: kfryday@lawhouse.ca

Lawyers for Jay Okkerse Contracting Ltd.

AND

TO: **CANADA REVENUE AGENCY**
c/o Department of Justice
Ontario Regional Office
120 Adelaide St. W., Suite 400
Toronto, ON M5H 1T1

Attention: Rakhee Bhandari

Tel: (416) 952-8563

Email: rakhee.bhandari@justice.gc.ca

AND

TO: **HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO**
as represented by Ministry of Finance
Legal Services Branch
33 King Street West, 6th Floor
Oshawa, ON L1H 8E9

Attention: Kevin O'Hara

Senior Counsel, Ministry of Finance

Tel: (905) 433-6934

Fax: (905) 436-4510

Email: kevin.ohara@fin.gov.on.ca

AND

TO: **HARRISON PENZA LLP**
450 Talbot St.
London, Ontario N6A 5J6

Tim Hogan

Tel (519) 661-6743

Fax: (519) 667-3362

Email: thogan@harrisonpensa.com

Lawyers for the Plaintiff

AND

TO: **BROWN BEATTIE O'DONOVAN LLP**
1600-380 Wellington Street
London, ON N6A 5B5

Jeremy A. Forrest

Tel : 519.679.0400

Fax : 519.679.6350

Email : jforrest@bbo.on.ca

Lawyers for Art Blake Refrigeration Limited

AND

TO: **TRIANGLE LOGISTICS SOLUTIONS INC.**

Alfred Emdon

Email : aemdon@trianglelogistics.ca

AND

TO: **SLE-CO PLASTICS INC.**
400 South Edgeware Road
St. Thomas, ON N5P 3Z5

Defendant

AND

TO: **SLE-CO PROPERTIES INC.**
400 South Edgeware Road
St. Thomas, ON N5P 3Z5

Defendant

AND

TO: **1142024 ONTARIO INC.**
3831 Elgin Road
Mossley, ON N0L 1V0

Defendant

AND

TO: **JEFFREY SLEEGERS**
3831 Elgin Road
Mossley, ON N0L 1V0
Email: jisleezers@gmail.com

AND

TO: **CISCO SYSTEMS CAPITAL CANADA CO.**
3450 Superior Court, Unit 1
Oakville, ON L6L 0C4

AND

TO: **TOYOTA MOTOR MANUFACTURING CANADA INC.**
1055 Fountain Street North
Cambridge, ON N3H 5K2

AND

TO: **DELL FINANCIAL SERVICES CANADA LIMITED**
155 Gordon Baker Rd, Suite 501
North York, ON M2H 3N5

AND

TO: **INOAC INTERIOR SYSTEMS LP**
575 James Street South, P.O. Box 1600
St. Marys, ON N4X 1B9

AND

TO: **JAY OKKERSE CONTRACTING LTD.**
45 Yarmouth Road
St Thomas, Ontario, N5P 3Z8

AND

TO: **NORTH SHORE FARMING COMPANY LIMITED**
43502 Sparta Line
RR#4
St Thomas, ON N5P 3S8, Canada

AND

TO: **GUNN & ASSOCIATES**
108 Centre Street
St. Thomas, ON N5R 2Z7

Frederick E. Leitch, QC

Tel: (519) 631-0700

Fax: (519) 631-1468

Lawyers for North Shore Farming Company Limited

AND

TO: **BABIN BESSNER SPRY LLP**
185 Frederick Street, Suite 101
Toronto, ON M5A 4L4

Edward Babin
Email: ebabin@babinbessnerspry.com

Lawyers for Clek Inc.

AND

TO: **INFINITY ASSET SOLUTIONS INC.**
63 Maplecrete Road
Concord, ON L4K 1A5

Attention: blyle@infinityassets.com

AND

TO: **LIBRO CREDIT UNION**
217 York Street, 4th Floor
London, ON N6A 5P9

Attention: Terena Callard
Email: Terena.Callard@libro.ca

AND

TO: **1803299 ONTARIO INC.**
500 Highway #3, PO Box 428
Tillsonburg, ON N4G 4H8

Purchaser

AND

TO: **MCKENZIE LAKE LAWYERS LLP**
140 Fullarton Street, Suite 1800
London, ON N6A 5P2

Beth Mullin
Tel: (519) 672-5666 x7324
Fax: (519) 672-2674
Email: beth.mullin@mckenzielake.com

Lawyers for the Purchaser

Service by email:

a.dascanio@advocatesllp.com; e.grigg@advocatesllp.com; scherniak@bdo.ca; dflett@bdo.ca;
msassi@cassels.com; smitra@airdberlis.com; jnemers@airdberlis.com; djmiller@tgf.ca;
adriedger@tgf.ca; rik@kennaley.ca; kfryday@lawhouse.ca; rakhee.bhandari@justice.gc.ca;
kevin.ohara@fin.gov.on.ca; thogan@harrisonpensa.com; jforrest@bbo.on.ca;
aemdon@trianglelogistics.ca; ebabin@babinbessnerspry.com; blyle@infinityassets.com;
ijsleegers@gmail.com; Terena.Callard@libro.ca; beth.mullin@mckenzielake.com

38510583.5

ROYAL BANK OF CANADA

-and-

SLE-CO PLASTICS INC., et al.

Plaintiff

Defendants

Court File No. 35-2220172T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY and INSOLVENCY**

Proceedings commenced at London

**MOTION RECORD
(Returnable November 13, 2020)**

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)

Tel: (416) 865-3085

Fax: (416) 863-1515

Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)

Tel: (416) 865-7724

Fax: (416) 863-1515

Email: jnemers@airdberlis.com

Lawyers for the Receiver