

Court File No. CV-24-2400-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE

)

TUESDAY, THE 7th

JUSTICE RAHMAN

)

DAY OF JANUARY, 2025

)

B E T W E E N:

2439656 ONTARIO INC. and MS CAPITAL CORP.

Applicants

- and -

CHACON HOLDING CORP.

Respondent



APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of Chacon Holding Corp. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and 12755467 Canada Inc. (the "**Purchaser**") dated October 21, 2024, and amended November 28, 2024, and appended to the Report of the Receiver dated December 9, 2024 (the "**Report**"), 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 7755 Hurontario St., Brampton, Ontario.

ON READING the Report and the Confidential Supplemental Report to the First Report of the Receiver dated December 9, 2024 (the "**Confidential Report**") and on hearing the

submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the Lawyers' Certificates of Service dated December 9, 2024, December 31, 2024, and January 6, 2025, 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 Justice Shaw dated August 16, 2024; (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 Land Titles Division of Peel (No. 43) of an Application for Vesting Order in the form prescribed by the *Land Titles 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.

Mohammed
Rahman



Digitally signed by
Mohammed Rahman
Date: 2025.01.07
14:09:59 -05'00'

Schedule A – Form of Receiver's Certificate

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

PLAINTIFF

Plaintiff

- and –

DEFENDANT

Defendant

RECEIVER'S CERTIFICATE**RECITALS**

A. Pursuant to an Order of the Honourable Justice Shaw of the Ontario Superior Court of Justice (the "**Court**") dated August 16, 2024, BDO Canada Limited was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Chacon Holding Corp. (the "**Debtor**").

B. Pursuant to an Order of the Court dated January 7, 2025, the Court approved the agreement of purchase and sale made as of October 21, 2024, and amended November 28, 2024, (the "**Sale Agreement**") between the Receiver and 12755467 Canada Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to 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.

C. 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; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**BDO Canada Limited, in its capacity as
Receiver of the undertaking, property and
assets of Chacon Holding Corp., and not in its
personal capacity**

Per: _____
Name:
Title:

Schedule B – Purchased Assets

Address: 25 Sun Pac Blvd, Brampton, Ontario

PIN: 14209-0135 (LT)

Legal Description: PCL BLOCK 2-2, SEC 43M561; PT BLK 2, PL 43M561, PT 2, 42R13563;
BRAMPTON

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

1. Instrument No. PR3607306 being a Charge registered in favour of National Bank of Canada on January 29, 2020.
2. Instrument No. PR3607307 being a Notice of Assignment of Rents – General registered in favour of National Bank of Canada on January 29, 2020.
3. Instrument No. PR4186426 being a Charge registered in favour of Raja Paul on April 4, 2023.
4. Instrument No. PR4214117 being a Charge registered in favour of 2439656 Ontario Inc. and MS Capital Corp. on June 20, 2023.
5. Instrument No. PR4214118 being a Notice of Assignment of Rents – General registered in favour of 2439656 Ontario Inc. and MS Capital Corp. on June 20, 2023.
6. Instrument No. PR4214119 being a Postponement of Instrument No. PR4186426 to Instrument No. PR4214117 registered on June 20, 2023.
7. Instrument No. PR4227097 being a Notice relating to Instrument No. PR4186426 registered on July 21, 2023.
8. Instrument No. PR4268276 being a Charge registered in favour of Kavita Batta and Mahesh Kumar Sharma on October 31, 2023.
9. Instrument No. PR4271865 being a Charge registered in favour of Aarzo Sharma, Kuldip Jaywar and Sapinder Grewal on November 10, 2023.
10. Instrument No. PR4279293 being a Charge registered in favour of Manjinder Grewal, Manoj Khindri, Sandeep Kotra, Inderjit Singh, Sapinder Grewal, and Moudgill Financial Inc. on November 30, 2023.
11. Instrument No. PR4281575 being a Transfer of Charge registered on December 7, 2023 relating to Instrument No. PR4279293.
12. Instrument No. PR4296212 being a Charge registered in favour of Moudgill Financial Inc. on January 26, 2024.
13. Instrument No. PR4301596 being a Transfer of Charge registered on February 12, 2024 relating to Instrument No. PR4296212.
14. Instrument No. PR4303204 being a Transfer of Charge registered on February 15, 2024 relating to Instrument No. PR4301596.
15. Instrument No. PR4338096 being a Charge registered in favour of Jatinderpal Aulakh on May 31, 2024.
16. Instrument No. PR4343959 being a Lien registered by His Majesty the King in Right of Canada as Represented by the Minister of National Revenue on June 18, 2024.
17. Instrument No. PR4373599 being an Application for Court Order by BDO Canada Limited registered on September 4, 2024.

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

G36

(unaffected by the Vesting Order)

1. Instrument No. LT382800 being a Notice registered on June 30, 1982.
2. Reference plan 43R13563 registered on June 13, 1986.
3. Instrument No. LT695085 being a Notice of Agreement registered on November 4, 1986.

G36

2439656 ONTARIO INC. and MS CAPITAL CORP.

- and -

G37
CHACON HOLDING CORP.

Applicants

Respondent

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ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Toronto

APPROVAL AND VESTING ORDER

WEIRFOULDS LLP
66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

Wojtek Jaskiewicz (LSO #49809L)
wjaskiewicz@weirfoulds.com

Tel: 416-619-6296
Fax: 416-365-1876

Lawyers for BDO Canada Limited

G37