

Court File No. 35-2220175T

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

THE HONOURABLE *Madam*)
JUSTICE *Tranquilli*)

FRIDAY, THE 13TH DAY
OF NOVEMBER, 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 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

CERTIFIED
A TRUE COPY
Superior Court
of Justice
[Signature]
Pour copie conforme
Cour Supérieure
de Justice

“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:

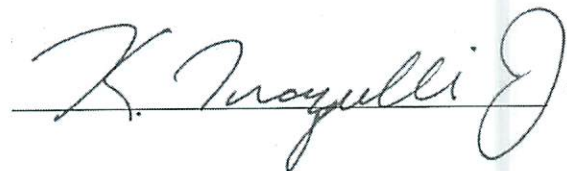
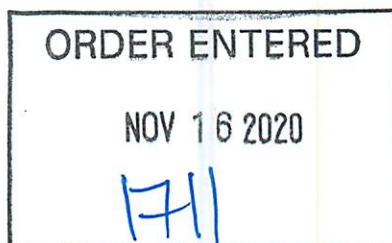
- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made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

A handwritten signature in black ink, appearing to read "K. Magulli", written over a horizontal line.

Schedule "A" – Form of Receiver's Certificate

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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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 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

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