

File No. 15-01-97928

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO
SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY*
ACT R.S.C. 1985, c. B-3, AS AMENDED

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

APPROVAL AND VESTING ORDER

TAYLOR McCaffrey LLP

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Client File No. 98665-1 DJAC

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

THE HONOURABLE

)

The 2nd day of December, 2020

)

MR. JUSTICE EDMOND

)

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

APPROVAL AND VESTING ORDER

THIS MOTION, made by Grant Thornton Limited in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of 5448124 Manitoba Ltd. (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 Lavro Properties Inc. (the "**Purchaser**") dated June 1, 2020 as amended August 24, 2020 and re-amended October 30, 2020 and appended to the Seventh Report to the Court of the Receiver dated November 25, 2020 (the "**Seventh Report**") and Confidential Appendices thereto, 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 the Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

ON READING the Seventh Report, the Confidential Appendices thereto, and the Affidavit of Laura Leigh Buley (Search Results) sworn November 25, 2020 and on hearing the

submissions of counsel for the Receiver, the Applicant and the Purchaser, no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Laura Leigh Buley sworn November 25, 2020, filed:

1. THIS COURT ORDERS that the time for service of the motion materials in support of this Approval and Vesting Order is hereby abridged and validated such that the motion is properly returnable today and hereby dispenses with further service.

2. 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.

3. 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 Orders of the Honourable Mr. Justice Dewar dated October 16, 2015 and October 27, 2015; (ii) all charges, security interests or claims evidenced by registrations pursuant to *The Personal Property Security Act* (Manitoba) 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.

4. THIS COURT ORDERS that upon the registration in the Winnipeg Land Titles Office ("**WLTO**") of a certified copy of this Order and a Requisition/Transmission of Land in the form prescribed by *The Real Property Act* (Manitoba) duly executed by the Purchaser or its solicitor together with a copy of the signed Receiver's Certificate, the District Registrar of the WLTO 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. THIS COURT ORDERS that this Order shall be entered by the District Registrar notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.

6. 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.

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

8. THIS COURT ORDERS that, pursuant to clause 7(3)(c) 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. 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.

9. 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 licenced insolvency trustee 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.

10. THIS COURT ORDERS AND DECLARES that the Receiver is authorized to repay the Applicant from the net proceeds from the sale of the Purchased Assets as contemplated under paragraphs 64 and 65 of the Seventh Report provided that the aggregate of the distributions to the Applicant do not exceed the amount of the indebtedness owed to the Applicant and the Receiver may hold sufficient reserves to satisfy any accruing obligations or remaining costs pending the Receiver's discharge.

11. THIS COURT APPROVES the Seventh Report and the Receiver's activities set out therein.

12. THIS COURT APPROVES the fees and disbursements of the Receiver and its legal counsel, Taylor McCaffrey LLP, as attached to the Seventh Report as Appendices 8 and 9 thereof.

13. THIS COURT ORDERS that the Confidential Appendices to the Seventh Report be sealed, kept confidential and not form part of the public record and shall remain stored electronically with this Court on an encrypted basis limiting access to only the Registrar of this Court and the presiding Judge and shall only be made accessible or form part of the public record after the Transaction has closed.

14. 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.

J.G. Edmond,
J
EDMOND, J.

Digitally signed by J.G. Edmond, J
Date: 2020.12.03 18:00:04 -06'00'

I, DAVID JACKSON OF THE FIRM OF TAYLOR MCCAFFREY LLP HEREBY CERTIFY THAT I HAVE RECEIVED THE CONSENTS AS TO FORM OF THE FOLLOWING PARTIES: J.J. BURNELL OF MLT AIKINS LLP AS COUNSEL FOR THE APPLICANT AND THOMAS W. TURNER OF PITBLADO LLP AS COUNSEL FOR THE PURCHASER AS DIRECTED BY THE HONOURABLE MR. JUSTICE EDMOND.

Schedule A – Form of Receiver’s Certificate

File No. 15-01-97928

**THE QUEEN'S BENCH
WINNIPEG CENTRE**

B E T W E E N:

CAMERON STEPHENS FINANCIAL CORPORATION,

Applicant,

- and -

5448124 MANITOBA LTD.,

Respondent.

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Dewar of the Court of Queen's Bench (the "**Court**") dated October 16, 2015 and Amended and Restated Order of October 27, 2017, Grant Thornton Limited was appointed as the receiver and manager (the "**Receiver**") of the undertaking, property and assets of 5448124 Manitoba Ltd. (the "**Debtor**").

B. Pursuant to an Order of the Court dated December 2, 2020 (the "**Order**") the Court approved the agreement of purchase and sale made as of June 1, 2020 as amended August 24, 2020 and re-amended October 30, 2020 (the "**Sale Agreement**") between the Receiver and Lavro Properties 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 Article 7 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.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section ● of 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].

**GRANT THORNTON LIMITED, in its
capacity as Receiver of the undertaking,
property and assets of 5448124 Manitoba
Ltd., and not in its personal capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets

Title No. 2291534/1

Lots 42 to 47 Block 3 Plan 775 WLTO in RL 65 Parish of St. James

Title No. 2291538/1

SP Lot 28 Plan 33661 WLTO in RL 63 to 65 Parish of St. James

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

Title No. 2291534/1

Mortgage No. 4597987/1

Caveat No. 4597988/1

Personal Property Security Notice No. 4597989/1

Amending Agreement No. 4652671/1

Caveat No. 4664175/1

Title No. 2291538/1

Mortgage No. 4597987/1

Caveat No. 4597988/1

Personal Property Security Notice No. 4597989/1

Amending Agreement No. 4652671/1

Caveat No. 4664175/1

Schedule D – Permitted Encumbrances

Notice No. 4611029/1