



Court File No. CV-22-00089649-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF TANKHOUSE DEVELOPMENTS INC.
OF THE CITY OF CORBYVILLE, IN THE PROVINCE OF ONTARIO**

THE HONOURABLE
JUSTICE SALLY GOMERY

) THURSDAY, THE 2ND DAY
)
) OF NOVEMBER, 2023

B E T W E E N:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

TANKHOUSE DEVELOPMENTS INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by MNP Ltd. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertakings, properties and assets of the respondent, Tankhouse Developments Inc. (the "**Debtor**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sales Agreement**") between the Receiver and [REDACTED] (the "**Purchaser**") dated August 2, 2023 and which agreement is appended as a confidential (redacted) appendix to the report of the Receiver dated October 17, 2023 (the "**Report**"), and vesting in the Purchaser the Debtors' right, title and interest in and to the assets described in the Sales Agreement (the "**Purchased Assets**"), was heard this day at the Courthouse, 161 Elgin Street, Ottawa, Ontario, K2P 2K1.

ON READING the notice of motion herein and the Report and on hearing the submissions of counsel for the Receiver and for the parties in attendance, no one appearing for any other party on the service list, although properly served as appears from the affidavit of service of Roxanne Chapman, sworn on October 24, 2023 filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sales 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 Sales 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 Sally Gomery dated August 24, 2022; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) (the "**PPSA**") 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 Hastings, Ontario (No. 21) 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 AND DIRECTS** the PPSA registrar to discharge (or to partially discharge as may be required or appropriate) from the PPSA registry the PPSA registrations listed in Schedule C hereto.

5. **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.

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

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

- (a) the pendency of these proceedings;
- (b) any application 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 application; 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.

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



THE HONOURABLE JUSTICE SALLY GOMERY

Issuance Date: November 2, 2023

Schedule A – Form of Receiver’s Certificate

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**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP
OF TANKHOUSE DEVELOPMENTS INC.
OF THE CITY OF CORBYVILLE, IN THE PROVINCE OF ONTARIO**

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

TANKHOUSE DEVELOPMENTS INC.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Sally Gomery of the Ontario Superior Court of Justice (the "**Court**") dated August 24, 2022, MNP Ltd. was appointed as the receiver (the "**Receiver**") of the undertakings, properties and assets of the respondent, Tankhouse Developments Inc. (the "**Debtor**").

B. Pursuant to an order of the Court dated November 2, 2023, the Court approved the agreement of purchase and sale dated August 2, 2023 (the "**Sales Agreement**") between the Receiver and [REDACTED] (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 Sales 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 Sales 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 Sales Agreement;
2. The conditions to Closing as set out in the Sales 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].

MNP LTD., solely in its capacity as Court-Appointed Receiver of the undertakings, properties and assets of the Debtor, and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Purchased Assets

The Purchased Assets include the following:

A. The Real Property comprised of the following:

1. Legal Description: PT LT 4 PL 61 THURLOW; PT 4 21R23923; BELLEVILLE; COUNTY OF HASTINGS

PIN: 40523-0199 (LT); LRO #21

2. Legal Description: PT LT 14 PL 44 THURLOW; PT LT 4 PL 61 THURLOW; PT EARLE STREET PL 61 THURLOW CLOSED BY RBL208, PT 3 21R23923; BELLEVILLE; COUNTY OF HASTINGS

PIN: 40523-0202 (LT); LRO #21

3. Legal Description: PT BLK A PL 61 THURLOW; PT PARSONAGE LT PL 44 THURLOW; PT 1 21R23923; BELLEVILLE; COUNTY OF HASTINGS

PIN: 40524-0678 (LT); LRO #21

- B. The personal property set out in Schedule “A” appended to the Sales Agreement on the terms and conditions set out in the said agreement and said Schedule “A”, which personal property expressly excludes the excluded assets set out in Schedule “B” to the Sales Agreement.**

Schedule C – Claims to be deleted and expunged

The following Claims are to be deleted and expunged from title to the Real Property:

Instrument Number	Date of Registration	Description	Parties From	Parties To
HT201955	2017/01/10	Charge	Tankhouse Developments Inc.	Business Development Bank of Canada
HT210014	2017/06/23	Charge	Tankhouse Developments Inc.	Trenval Business Development Corporation
HT285652	2021/04/28	Charge	Tankhouse Developments Inc.	Farm Credit Canada
HT315308	2022/07/18	Lien	Her Majesty the Queen in Right of Canada as represented by The Minister of National Revenue	
HT318116	2022/08/30	APL Court Order	Ontario Superior Court of Justice	Business Development Bank of Canada

The following writs do not bind the Real Property as they are cut out by the registration of the Application for Vesting Order provided for in this Approval and Vesting Order:

- Execution No. 22-0000169 filed with the Sheriff of the County of Hasting (Belleville) and issued on July 21, 2022 by the Ministry of Finance as creditor.
- Execution No. 21-0000038 filed with the Sheriff of the County of Hasting (Belleville) and issued on February 10, 2021 by the Ministry of Finance as creditor.

The following PPSA registrations are to be discharged from the PPSA registry:

PPSA File Number	Date of Registration	Secured Creditor	Collateral Classification
723353193	2016-12-13	Business Development Bank of Canada	Inventory, Equipment, Accounts, Other
730906479	2017-08-15	Trenval Business Development Corporation	Inventory, Equipment, Accounts, Amount (\$250,000), No Fixed Maturity Date
735583995	2018-01-11	Farm Credit Canada	Equipment, Other
735584085	2018-01-11	Farm Credit Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
735585678	2018-01-11	Farm Credit Canada	Inventory, Equipment, Accounts, Other, Motor Vehicle Included
761116464	2020-03-20	North Kegs Corp.	Equipment, Amount (\$60,711), No Fixed Maturity Date
765671436	2020-09-11	CLE Capital Inc.	Equipment, Other

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

(unaffected by the Vesting Order)

Any Instrument registered against title to the Real Property not listed in Schedule “C” hereto as of the date hereof is a permitted encumbrance.

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

-and-

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PROCEEDING COMMENCED AT OTTAWA

APPROVAL AND VESTING ORDER

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