

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM) MONDAY, THE 9TH
)
JUSTICE GILMORE) DAY OF APRIL, 2022

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF 2519920 ONTARIO INC.
o/a DOVE CLEANERS, A CORPORATION
INCORPORATED UNDER THE BUSINESS
CORPORATIONS ACT (ONTARIO)**

APPROVAL AND VESTING ORDER

THIS MOTION, made by 2519920 Ontario Inc. o/a Dove Cleaners (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Debtor and Dove Corporation (the "Purchaser") dated May 3, 2022 and appended as Exhibit "A" to the affidavit of Danny Zarif sworn May 3, 2022 (the "Zarif Affidavit") 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, by videoconference.

ON READING the Zarif Affidavit as well as the second report dated May 4, 2022 of Crowe Soberman Inc. in its capacity as proposal trustee (in such capacity, the "Proposal Trustee"), and on hearing the submissions of counsel for the Debtor and counsel for the Proposal Trustee, no one appearing for any other person although properly served as appears from the affidavit of service, filed:

1. THIS COURT ORDERS that the time and manner of service of the motion record for this motion and the Second Report are hereby respectively abridged and validated such that this motion is properly returnable today.

2. THIS COURT ORDERS AND DECLARES THAT the Transaction is hereby approved, with such minor amendments as the Proposal Trustee may approve. The Company 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 filing of the Proposal Trustee's Certificate with the Court, 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) 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 (ii) those Claims listed on Schedule B hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances listed on Schedule C) 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 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 Proposal Trustee'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 Proposal Trustee to deliver a copy of the Proposal Trustee's Certificate to the Purchaser forthwith after the filing thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Debtor and Proposal Trustee are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor'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.

7. 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.

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 Debtor and the Proposal Trustee and their 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 Debtor and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Debtor, the Proposal Trustee and their agents in carrying out the terms of this Order.

A handwritten signature in blue ink, appearing to read "C. Thompson, T.", is placed above a horizontal line.

Schedule A – Form of Proposal Trustee’s Certificate

Court File No. 31-2803414

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Gilmore of the Ontario Superior Court of Justice (the "Court") dated May 9, 2022, the Court approved the agreement of purchase and sale made as of May 3, 2022 (the "Sale Agreement") between 2519920 Ontario Inc. o/a Dove Cleaners (the "Debtor") and Dove Corporation (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 filing by Crowe Soberman Inc., in its capacity as trustee to the notice of intention to make a proposal to creditors proceeding of the Debtor (in such capacity, the "Proposal Trustee"), with the Court, of a certificate confirming (i) that no "Qualified Bid" within the meaning of the sale process terms (the "Sale Process Terms") approved by and appended to the Court's order approving a sale process also made on April 9, 2022 in this court file, other than the Sale Agreement, was received by the Proposal Trustee by the Bid Deadline (as that term is defined in the Sale Process Terms); (ii) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (iii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and (iv) the Transaction has been completed to the satisfaction of the Proposal Trustee.

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

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. No “Qualified Bid” within the meaning of the Sale Process Terms other than the Sale Agreement was received by the Proposal Trustee by the Bid Deadline.
2. The Purchaser has paid and the Proposal Trustee or the Debtor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
3. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and
4. The Transaction has been completed to the satisfaction of the Proposal Trustee.
5. This Certificate was delivered by the Proposal Trustee at _____ on _____ .

**CROWE SOBERMAN INC., in its capacity
as trustee to the notice of intention to make a
proposal proceeding of the Debtor and not in
its personal capacity**

Per: _____

Name: _____

Title: _____

Schedule B – Claims to be deleted and expunged from title to the Purchased Assets

- Any security interest registered in favour of Toronto Dominion Bank (and not, for avoidance of doubt, TD Equipment Finance Canada) under *Personal Property Security Act* (Ontario) (“PPSA”) file number 733407966, 736884027, 741272499, and 741397995.
- Any security interest registered in favour of Mills West Enterprises Inc. under PPSA file number 736884135.
- Including any assignment(s), as the case may be.

Schedule C – Permitted Encumbrances (unaffected by Vesting Order)

- Any security interest registered in favour of Sprucewood Leasing Limited under *Personal Property Security Act* (Ontario) (“PPSA”) file number 727306884, 734080716, 747333108, 751569192, 751998402, 757072971, 759336408, 765335061, 765335079, and 782481771.
- Any security interest in favour of TD Equipment Finance Canada under PPSA file number 741397995.
- Including any assignment(s), as the case may be.

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INCORPORATED UNDER THE *BUSINESS CORPORATIONS ACT (ONTARIO)*

Estate No. 31-2803414

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

APPROVAL AND VESTING ORDER

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