

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE *John Wayne*



WEDNESDAY, THE
25TH DAY OF SEPTEMBER, 2019

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
GREEN EARTH ENVIRONMENTAL PRODUCTS, A GENERAL PARTNERSHIP
ESTABLISHED IN THE PROVINCE OF ONTARIO, AND GREEN EARTH STORES
LTD., A CORPORATION INCORPORATED IN THE PROVINCE OF ONTARIO**

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by Crowe Soberman Inc., in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties of Green Earth Environmental Products (“**GEEP**”) and Green Earth Stores Ltd. (“**GESL**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by the Agreement of Purchase and Sale dated July 26, 2019 (the “**Sale Agreement**”) between the Receiver and Brian Vaughan, in trust for a company to be incorporated, which company has been identified as Vaughan Realty Corp. (the “**Purchaser**”), and vesting GESL’s right, title and interest in and to the Property (as defined in the Sale Agreement) in the Purchaser, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated September 19, 2019 and appendices thereto, and on hearing the submissions of counsel for the Receiver, counsel for the Purchaser, and counsel for GESL, no one else appearing although duly served as appears from the Affidavit of Service of Sanja Sopic dated September 20, 2019, filed,

1. **THIS COURT ORDERS** that the timing and method of service of the Notice of Motion and Motion Record be and is hereby abridged and validated and this Motion is properly returnable today.
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 Property 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 GESL's right, title and interest in and to the Property described in the Sale Agreement and identified 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, encumbrances, 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 Penny dated March 7, 2019; (ii) any encumbrances or charges created by the Order of the Honourable Justice Conway dated June 13, 2019; (iii) 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 (iv) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property are hereby expunged and discharged as against the Property.

4. **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 or such other entity as the Purchaser may direct, 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 for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property shall stand in the place and stead of the Property, 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 Property with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property 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; and
- (b) the assignment in bankruptcy of GESL, which occurred on June 18, 2019;

the vesting of the Property pursuant to this Order is binding on the trustee in bankruptcy of GESL and shall not be void or voidable by creditors of GESL, 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 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.

A handwritten signature in blue ink, appearing to read "Conway", is written over a horizontal line. The signature is fluid and cursive, with a large, stylized 'C' at the beginning.

Schedule “A” – Form of Receiver’s Certificate

Estate/Court File No. 31-2481648
Estate/Court File No. 31-2481649

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Applicants

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated June 13, 2019, effective June 18, 2018, Crowe Soberman Inc. (“**Crowe**”) was appointed as receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Green Earth Environmental Products (“**GEEP**”) and Green Earth Stores Ltd. (“**GESL**”) acquired for, or used in relation to a business carried on by GEEP and GESL, including the proceeds thereof (the “**Property**”).

B. Pursuant to an Order of the Court dated September 25, 2019, the Court approved the Agreement of Purchase and Sale dated July 26, 2019 (the “**Sale Agreement**”) between the Receiver and Brian Vaughan, in trust for a company to be incorporated, which company has been identified as Vaughan Realty Corp. (the “**Purchaser**”), and provided for the vesting in the Purchaser, or such other entity as the Purchaser may direct, of all GESL’s right, title and interest in and to the Property (as defined in the Sale Agreement), which vesting is to be effective with

respect to the Property upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the two deposits for the Property by the Completion Date, and (ii) the transaction contemplated by the Sale Agreement 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 two deposits for the Property by the Completion Date pursuant to the Sale Agreement; and

9. The transaction contemplated by the Sale Agreement has been completed to the satisfaction of the Receiver.

CROWE SOBERMAN INC., solely in its capacity as the Court-appointed receiver of GESL, and not in its personal capacity or in any other capacity

Per: _____

Name: _____

Title: _____

This Certificate was delivered by the Receiver at _____ on _____.

Schedule "B" – Legal Description of the Real Property

PIN 08483-0056 (LT)

PARCEL 5-1, SECTION M18 LT 5 PLAN M18 LONDON/WESTMINSTER

PIN 08483-0057 (LT)

PARCEL 6-1, SECTION M18 LT 6 PLAN M18 LONDON/WESTMINSTER

Schedule “C” – Instruments to Be Deleted from Title to Real Property

PIN 08483-0056 (LT)

Reg. No.	Date	Type	Amount	Parties From	Parties To
ER1068272	2016/10/11	Charge	\$3,425,000	GREEN EARTH STORES LTD.	ROYAL BANK OF CANADA
ER1222054	2019/02/27	Transfer of Charge		ROYAL BANK OF CANADA	MATTHEW MCBRIDE ENTERPRISES CORP. BECKSTETTE ENTERPRISES CORP.

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**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

RECEIVER'S CERTIFICATE

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Elizabeth Pillon LSO#: 35638M
Tel: (416) 869-5236

Sanja Sopic LSO#: 66487P
Tel: (416) 869-6825

**Lawyers for the Crowe Soberman Inc. in its
capacity as Receiver of GESL**

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A
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