Court File No. S1-GS-27628

SUPREME COURT OF PRINCE EDWARD ISLAND

BETWEEN:

BANK OF NOVA SCOTIA

APPLICANT

AND:

DOCUMENT FILED
APR 13 2018
Supreme Court of P.E.I.

SILVER HILL FUR FARM LTD.

RESPONDENT

BEFORE THE HONOURABLE
JUSTICE JACQUELINE R. MATHESON

DATED the 13th day
of April, 2018.

APPROVAL AND VESTING ORDER

WHEREAS the motion of Ernst & Young Inc., solely in its capacity as Court appointed receiver and receiver-manager and not in its personal capacity (the "**Receiver**") of the property, assets and undertakings (the "**Property**") of Silver Fur Farm Inc., the Respondent seeking, *inter alia*, direction and authorization to complete the sales (collectively, the "**Sales**" and each a "**Sale**") of certain of the Respondent's personal property and real property (the "**Sale Assets**") was heard this 13th day of April, 2018 at 42 Water Street, Charlottetown, Prince Edward Island;

ON READING the Record on Motion including the fourth report of the Receiver dated April 2, 2018 (the "**Fourth Report**") and the supplementary confidential report of the Receiver (the "**Fourth Report Supplement**");

THIS COURT ORDERS THAT:

SERVICE

1. The time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL

2. Each Sale is hereby approved and is confirmed as commercially reasonable and in the best interests of the estate of the Company. The Receiver is hereby authorized and directed to take such additional steps and execute and deliver such additional documents as may be necessary or desirable for the completion of the Sales and the conveyance of the Sale Assets to the purchasers (the "**Purchasers**"). The Receiver may agree to such amendments related to the time of closing and costs as necessary, provided such changes do not materially impact the substantive terms of the Sales.

VESTING

3. Upon the delivery of the Receiver's certificate or certificates to a Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**") all rights, title and interest of the Respondent in and to the Sale Assets identified in the applicable Receiver's Certificate shall vest absolutely and exclusively in and with the applicable Purchaser, free and clear of and from any and all interests of any person of any nature or kind, including, without limiting the foregoing, all claims, liabilities (direct, indirect, absolute or contingent) , obligations, interests, prior claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, conditional sales contracts or title retention agreements, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, encumbrances, judgments, orders, pledges, assignments, writs of seizure or execution, notices of sale, options, adverse claims, executions, demands, duties, levies, charges, or other financial or monetary claims, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached, been perfected, registered or filed and whether secured, unsecured or otherwise and whether created by or pursuant to the orders made in these proceedings or any other proceedings before the Court (collectively, the "**Claims**") including, without limitation, all Claims evidenced by registrations pursuant to any provincial or other registry system (all of which are collectively referred to as the "**Encumbrances**"); and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Sale Assets

be expunged and discharged as against the Sale Assets, in each case effective as of the applicable time and date of the Receiver's Certificate.

PROCEEDS OF SALE

4. For the purposes of determining the nature and priority of Claims and Encumbrances, the net proceeds from the sale of the Sale Assets (the "**Proceeds**") shall stand in the place and stead of the Sale Assets, and that from and after the delivery of a Receiver's Certificate, all Claims and Encumbrances shall attach to the Proceeds with the same priority as they had with respect to the applicable Sale Assets identified in the applicable Receiver's Certificate immediately prior to the sale, as if the Sale 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.

SEALING

5. The Fourth Report Supplement including all exhibits shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope and shall only be opened after the completion of these receivership proceedings.

6. The Fourth Report and the Fourth Report Supplement filed in relation to this motion and all actions of the Receiver since the initial receivership Order are hereby approved.

GENERAL

7. The Receiver is authorized and directed to issue a Receiver's Certificate upon being satisfied that the terms of the related transaction have been completed to its satisfaction.

8. The Receiver shall file with the Court a copy of all Receiver's Certificates, after delivery thereof. The Receiver shall not be required to file, register or record this Order, notice

thereof or any financing statement with respect thereto but may take such steps as it deems necessary or appropriate to register or record this Order, notice thereof or any financing statement with respect thereto, if it deems it advisable to do so. The Receiver is further authorized to execute and register discharges of any registered security or other interest extinguished by this Order after completion of any transaction authorized herein if necessary.

9. Notwithstanding

   (a) the pendency of these proceedings; and

   (b) the insolvency of the Company;

the vesting of the Sale Assets in the Purchaser pursuant to this Order shall be binding on all persons and shall not be void or voidable by any person, including, without limitation, creditors of any of the Respondent, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance 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.

DATED at Charlottetown, Prince Edward Island this 13th day of April, 2018

JACQUELINE R. MATHESON
J.

J.

Schedule "A"

Court File No. S1-GS-27628

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BANK OF NOVA SCOTIA

APPLICANT

AND:

SILVER HILL FUR FARM LTD.

RESPONDENT

RECEIVER'S CERTIFICATE

A. Pursuant to an Order of the Honourable Justice Gordon L. Campbell (the "**Court**") dated March 29, 2018, the ("**Order**"), Ernst & Young Inc., as Court appointed receiver and receiver manager (the "**Receiver**") of all of the assets and undertakings (the "**Property**") of Silver Hill fur Farm Inc. (the "**Company**"), was granted those powers and authorizations as set out therein including to dispose of certain of the Property.

B. Pursuant to an Order of the Honourable Court dated April ___, 2018, the Court approved the sale of the property set out in **Schedule "A"** (the "**Sale Property**"), to ______________________________ (the "**Purchaser**") and provided for the vesting in the Purchaser all right, title and interest in and to the Sale Property, which vesting is to be effective with respect to the Sale Property upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the receipt by the Receiver of payment by the Purchaser of the purchase price for the Sale Property; and (ii) the sale has been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES THE FOLLOWING:

1. The Purchaser has paid and the Receiver has received the purchase price for the Sale Property payable on the applicable closing date; and

2. The Sale has been completed to the satisfaction of the Receiver.

This Receiver's Certificate was delivered by the Receiver at _________[TIME] on _______ [DATE].

Ernst & Young Inc., in its capacity as the Court appointed Receiver of the Property of the Company and not in its personal capacity

Per:_______________________________

Name:

Title:

Schedule "A" to Receiver's Certificate
Sale Property sold to ______________, a Purchaser