

2024



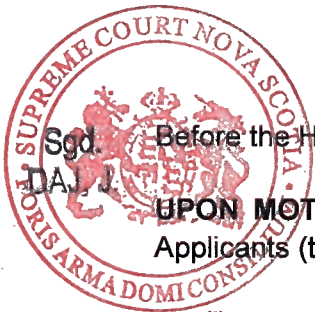
Hfx No. 538745

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985, c. C- 36, as amended (the "**CCAA**")

AND IN THE MATTER OF an application by Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the "**Applicants**") for relief under s. 11 of the CCAA and other relief.

**SALE APPROVAL AND VESTING ORDER
(RE COAST TRANSACTION)**



Sgd. Before the Honourable Justice Darlene Jamieson in chambers:

UPON MOTION of KSV Restructuring Inc. in its capacity as Court-appointed monitor of the Applicants (the "**Monitor**") for an Order:

- (i) approving a sale (the "**Transaction**") pursuant to the asset purchase agreement dated May 9, 2025 (the "**Coast APA**") between 3343433 Nova Scotia Limited ("**Lost Bell**") and 3284906 Nova Scotia Limited ("**328NSL**") and together with Lost Bell, the "**Companies**"), as represented by the Monitor as vendor (the "**Vendor**"), and Coast to Coast Marketing Ltd., and James Roue Beverage Company Ltd. (together, the "**Purchaser**") for the business and assets of the Companies as described in the Coast APA; and
- (ii) vesting the Purchased Assets (as defined in the Coast APA) in the Purchaser or to the Purchaser's assignee, nominee, or designate, as the case may be, free and clear of all encumbrances, upon execution and delivery of a certificate by the Monitor;

UPON READING the report of the Monitor dated June 17, 2025 (the "**Fourth Report**") and other materials filed in this proceeding and on hearing the submissions of counsel for the Monitor, counsel for the Applicants, counsel for the Royal Bank of Canada, and such other counsel who were present and wished to be heard;

AND UPON READING the Affidavit of Service of Samantha Currie sworn June 23, 2025 confirming that the parties on the service list maintained in this proceeding were served with notice of this Motion;

NOW UPON MOTION:

IT IS HEREBY ORDERED THAT:

1. The time for service of the Notice of Motion is hereby abridged and validated so that this

Motion is properly returnable today and further service thereof is hereby dispensed with.

2. Unless otherwise defined herein, capitalized terms used in this Order shall have the meanings given to them in the Coast APA.
3. The Transaction is hereby approved, and the execution and delivery of the Coast APA by the Monitor is hereby authorized and approved, with such minor amendments as the Monitor and Purchaser may agree to. The Monitor 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 or to the Purchaser's assignee, nominee, or designate.
4. This Order shall constitute the only authorization required by the Monitor and Applicants to proceed with the Transaction and that no shareholder or other approvals shall be required in connection therewith.
5. The Monitor is authorized and directed to perform its obligations under the Coast APA and any ancillary documents related thereto.

VESTING OF PURCHASED ASSETS

6. Upon the delivery by the Monitor of a certificate substantially in the form attached as **Schedule "A"** hereto (the "**Monitor's Certificate**"), to the Purchaser or to the Purchaser's assignee, nominee, or designate, as the case may be, all of the Applicants' right, title and interest in and to the Purchased Assets shall vest absolutely in such Purchaser or the Purchaser's assignee, nominee, or designate, as the case may be, free and clear of and from any and all ownership claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, pledges, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, encumbrances, executions, levies, charges or other financial or monetary claims, adverse claims or rights of use, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, legal, equitable, possessory 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 Jamieson dated December 13, 2024 and any amendments thereto; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Nova Scotia), the *Land Registration Act* (Nova Scotia), or any other personal property or real property registry system, including, but not limited to, those listed on **Schedule "B"** hereto; and (iii) those Claims and Encumbrances as may be contemplated under the Coast APA, but which shall not include the permitted encumbrances, easements and restrictive covenants listed in **Schedule "C"**. For greater certainty, this Court orders that and all of the Claims and Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets effective upon the delivery of the Monitor's Certificate. If so required, counsel to the Monitor or its agents shall be entitled to enter discharges or make amendments in relation to any financing statement registered under the *Personal Property*

Security Act (Nova Scotia), the *Land Registration Act* (Nova Scotia), or similar statute of any relevant province affecting the Purchased Assets to give effect to the provisions of this paragraph. For greater clarity, nothing in this Order shall be construed as releasing any Encumbrance against any of the remaining property and assets of the Applicants which do not constitute Purchased Assets.

7. From and after the delivery of the Monitor's Certificate, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, staking, applying for, or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation administrative hearings and orders, declarations and assessments, commenced, taken, or proceeded with or that may be commenced, taken or proceeded with against the Purchaser or the Purchaser's assignee, nominee, or designate, as the case may be, relating in any way to the Purchased Assets.
8. The Registrar of Deeds or the Registrar of Land Titles (Nova Scotia) shall record or register this Sale Approval and Vesting Order and a copy of the Monitor's Certificate in the Land Registration Office pursuant to the *Registry Act* (Nova Scotia) and the *Land Registration Act* (Nova Scotia), as applicable, and shall enter the Purchaser or the Purchaser's assignee, nominee, or designate, as the case may be, as the owner of any real property forming part of the Purchased Assets and is hereby directed to delete and expunge from title to the real property all of the registered Claims and Encumbrances on the property located at 11 Dudley Park Lane (PID 45220357) and 61 Dudley Park Lane, Falmouth (PID 45035300), including those Claims and Encumbrances listed in **Schedule "B"** hereto.
9. For the purposes of determining the nature and priority of Claims and Encumbrances, from and after the delivery of the Monitor's Certificate, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's Certificate all Claims and security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**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.
10. The Monitor shall file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof to the Applicants and Purchaser, or to their respective counsel.

PIPEDA

11. Pursuant to Clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Monitor is authorized and permitted to disclose and transfer to the Purchaser or to the Purchaser's assignee, nominee, or designate, as the case may be, customer information and human resources and payroll information in the Applicants'

records to the extent necessary or desirable in relation to the continued servicing of customers and the employment or potential employment of such employees by the Purchaser as set forth in the Coast APA. The Purchaser or the Purchaser's assignee, nominee, or designate, as the case may be, shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner that is consistent with the prior use of such information by the Applicants.

12. 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) ("**BIA**") in respect of the Applicants and any bankruptcy order issued pursuant to any such applications; and
- c. any assignment in bankruptcy made in respect of the Applicants,

the entering into of the Coast APA, the transfer of the Purchased Assets to the Purchaser or the Purchaser's assignee, nominee, or designate as the case may be, pursuant to this Order and the various subsections of Section 65 of the BIA, shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA, any other applicable federal or provincial legislation or otherwise at law or equity, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

TRANSFER AND DISCHARGE OF REGISTRATIONS

- 13. Upon delivery of a copy of the Monitor's Certificate and a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Applicants and/or the Purchased Assets (collectively, the "**Governmental Authorities**" and each a "**Governmental Authority**") are hereby authorized, requested and directed to accept delivery of a copy of the Monitor's Certificate and a copy of this Order as though they were originals and to register such transfers, releases and discharges as may be required to give effect to the terms of this Order. Presentment of a copy of this Order and a copy of the Monitor's Certificate shall be the sole and sufficient authority for any Governmental Authorities to make and complete any of the foregoing registrations in respect of any of the Purchased Assets.
- 14. Without limiting paragraph 13 of this Order, upon presentation and registration of a copy of this Order and of the Monitor's Certificate, the applicable registrar at Canadian Intellectual Property Office or such other applicable Governmental Authority is hereby directed to forthwith transfer to the Purchaser or to the Purchaser's assignee, nominee, or designate, as the case may be, all the Vendor's right, title and interest in and to the

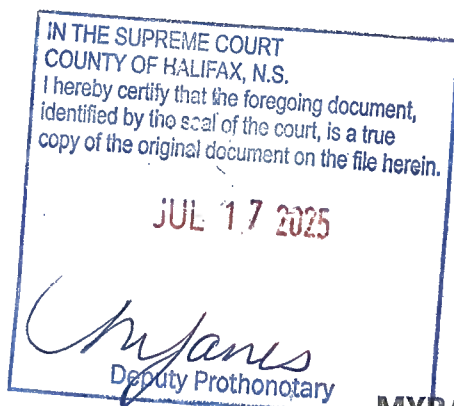
trademark applications and registrations, registered copyright, as well as any other intellectual property registrations and applications that are part of the Purchased Assets, free and clear of and from any Claims and Encumbrances.

15. The Monitor and the Purchaser or the Purchaser's assignee, nominee, or designate, as the case may be, shall each be authorized to take any steps as may be necessary or desirable, with any Governmental Authorities or otherwise, to effect the transfer of any rights, title and interest to the Purchased Assets and the discharge of any Claims or Encumbrances as against the Purchased Assets, in accordance with the terms of this Order.

GENERAL

16. The aid and recognition of any court, tribunal, registrar, regulatory or administrative body having jurisdiction in Canada or outside Canada, and all courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders, file such registrations, and to provide such assistance as may be necessary or desirable, to recognize and give effect to this Order and to assist: (i) the Monitor and its agents in carrying out the terms of this Order; (ii) the Purchaser or the Purchaser's assignee, nominee, or designate, as the case may be, in giving effect to the transfer of title pursuant to the Coast APA, as approved herein, the vesting in the Purchaser or the Purchaser's assignee, nominee, or designate, as the case may be, of the Purchased Assets free and clear of any and all Claims, and the foreclosure of interests and barring of proceedings against the Purchaser or the Purchaser's assignee, nominee, or designate, as the case may be, and the Purchased Assets provided for herein.
17. The Monitor may apply to any Court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
18. This Order and all of its provisions are effective as of 12:01 a.m. local time on the date of this Order.

DATED at Halifax, Nova Scotia, this 17 day of July, 2025.




MYRA JANES
Deputy Prothonotary

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Deputy Prothonotary

Schedule A – Form of Monitor’s Certificate

2024

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SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985, c. C- 36, as amended (the “**CCAA**”)

AND IN THE MATTER OF an application by Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the “**Applicants**”) for relief under s. 11 of the CCAA and other relief.

COAST TRANSACTION CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Justice Jamieson of the Supreme Court of Nova Scotia (the “**Court**”) dated December 13, 2024. KSV Restructuring Inc. was appointed as the monitor (the “**Monitor**”) of the Applicants.
- B. Pursuant to the Approval and Vesting Order dated ●, 2025, the Court approved the asset purchase agreement dated May 9, 2025 (the “**Coast APA**”) between 3343433 Nova Scotia Limited (“**Lost Bell**”) and 3284906 Nova Scotia Limited (“**328NSL**” and together with Lost Bell, the “**Companies**”), as represented by the Monitor as vendor (the “**Vendor**”), and Coast to Coast Marketing Ltd., and James Roue Beverage Company Ltd. (together, the “**Purchaser**”) for the business and assets of the Companies described in the Coast APA, and provided for the vesting the Purchased Assets in the Purchaser or in the Purchaser’s assignee, nominee, or designate, as the case may be, free and clear of all encumbrances, upon execution and delivery of a certificate by the Monitor to the Purchaser or to the Purchaser’s assignee, nominee, or designate, as the case may be, confirming (i) the payment by the Purchaser of the Purchase Price; (ii) the conditions to Closing as set out in the Coast APA have been satisfied or waived by the Purchaser and the Monitor; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Coast APA.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price payable on the Closing Date pursuant to the Coast APA;
2. The conditions to Closing as set out in the Coast APA have been satisfied or waived by the Vendor and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Monitor.

This Certificate was delivered by the Monitor at _____[TIME] on _____ [DATE].

**KSV RESTRUCTURING INC., solely in its
capacity as Monitor of the Applicants and not in
its personal capacity**

Per: _____
Name: Bobby Kofman
Title: President and Managing Director

Schedule "B"
Claims

Personal Property Security Act

Jurisdiction	Registration No.	Secured Party	Debtor
NS	33924358	Royal Bank Of Canada	3343533 Nova Scotia Limited
NS	28928141	Royal Bank Of Canada	3284906 Nova Scotia Limited
NS	40540346	Trisura Guarantee Insurance Company	3284906 Nova Scotia Limited

Land Registration Act

11 Dudley Park Lane, Upper Falmouth (PID 45220357):

Interest Holder	Document Reference	Instrument Type	Registration Date
The Bank of Nova Scotia	98999841	MORTGAGE	2011-08-26
Royal Bank of Canada	118088724	ASSIGNMENT OF LEASES AND/OR RENTS	2021-02-26
Royal Bank of Canada	118076901	MORTGAGE	2021-02-25
Royal Bank of Canada	123917180	MORTGAGE	2024-04-03

61 Dudley Park Lane, Upper Falmouth (PID 45035300):

Interest Holder	Document Reference	Instrument Type	Registration Date
Suzanne Corkum	118076984	MORTGAGE	2021-02-25

Schedule "C"

Permitted Encumbrances, Easements, and Restrictive Covenants

Nil.