

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 C. C.43, AS AMENDED, AND SECTION 68 OF THE *CONSTRUCTION LIEN ACT*, R.S.O. 1990, C. C. 30, AS AMENDED

THE HONOURABLE) MONDAY, THE 8TH
)
JUSTICE *CONWAY*) DAY OF JUNE, 2015



BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Applicant

- and -

**6711162 CANADA INC., 1794247 ONTARIO INC., 1387267 ONTARIO INC.,
1564168 ONTARIO INC., 2033387 ONTARIO INC., HUGEL LOFTS LTD.,
ALTAF SOORTY, ZORAN COCOV and CASINO R.V. RESORTS INC.**

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Rosen Goldberg Inc., in its capacity as Court-appointed receiver and construction lien trustee (the “**Receiver**”), *inter alia*, of the assets, undertakings and properties of 6711162 Canada Inc., 1794247 Ontario Inc., Altaf Soorty, Zoran Cocov, (collectively, the “**Ramara Debtors**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”)

between the Receiver and 1932425 Ontario Inc. (the “**Purchaser**”) dated as of the 27th day of May, 2015 and appended to the Second Report of the Receiver dated June 2, 2015 (the “**Second Report**”), and vesting in the Purchaser the Ramara Debtors’ 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.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although served as appears from the affidavit of Christina Corrente sworn June 4, 2015, filed:

1. THIS COURT ORDERS that the time for service of the Receiver’s Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
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 Purchased Assets 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 the Ramara Debtors’ right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedules B1, B2, B3, B4 and B5 hereto shall vest absolutely in the Purchaser, or as the Purchaser may in writing direct, in whole or in part, 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 D.M. Brown dated May 5, 2014 (the “**Appointment Order**”); (ii) 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 (iii) those Claims listed on Schedules C1, C2, C3, C4 and C5 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 Schedules D1, D2, D3, D4 and D5) 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 upon the registration in the Land Titles Division for the Land Registry Office of Simcoe (No. 51) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedules B1, B2, B3, B4 and B5 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 Schedules C1, C2, C3, C4 and C5 hereto.

5. THIS COURT ORDERS that the purchase price payable for the Purchased Assets under the Sale Agreement shall be equal to the aggregate of the following:

- (a) the Receiver’s fees and disbursements in accordance with paragraph 18 of the Appointment Order, including its estimated fees and disbursements to complete the Transaction and obtain its discharge as receiver of Altaf Soorty and Zoran Cocov; and
- (b) that portion of the Receiver’s Borrowing Charge (as such term is defined in the Appointment Order) attributable to the Ramara Debtors and all of each of the Ramara Debtors’ obligations to creditors who have a lien, charge, security interest or deemed trust in any of the Ramara Debtors’ property and assets which rank in priority to the security held by Romspen Investment Corporation (“**Romspen**”) against the Real Property; and
- (c) the indebtedness owing under the first-ranking loan given by Romspen to the Ramara Debtors secured against the Real Property and the Ramara Debtors’ personal property as of the date of closing

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 applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Ramara Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Ramara Debtors;

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 Ramara Debtors and shall not be void or voidable by creditors of the Ramara Debtors, 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).

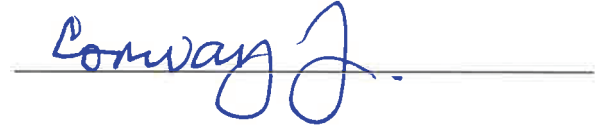
9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

10. THIS COURT ORDERS that contemporaneously with the closing of the Transaction, Rosen Goldberg Inc. shall be discharged as receiver of the assets, undertakings and properties of Altaf Soorty and Zoran Cocov, provided however that notwithstanding its discharge (a) the Receiver shall remain receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals,

protections and stays of proceedings in favour of Rosen Goldberg Inc. in its capacity as Receiver.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

 JUN - 8 2015



Schedule A – Form of Receiver’s Certificate

Court File No. CV-14-10470-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 C. C.43, AS AMENDED, AND SECTION 68 OF THE *CONSTRUCTION LIEN ACT*, R.S.O. 1990, C. C. 30, AS AMENDED

B E T W E E N:

ROMSPEN INVESTMENT CORPORATION

Applicant

- and -

**6711162 CANADA INC., 1794247 ONTARIO INC., 1387267 ONTARIO INC.,
1564168 ONTARIO INC., 2033387 ONTARIO INC., HUGEL LOFTS LTD.,
ALTAF SOORTY, ZORAN COCOV and CASINO R.V. RESORTS INC.**

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice D.M. Brown of the Ontario Superior Court of Justice (the “**Court**”) dated May 5, 2014, Rosen Goldberg Inc. was appointed as the receiver and construction lien trustee (the “**Receiver**”), *inter alia*, of the assets, undertakings and properties of 6711162 Canada Inc., 1794247 Ontario Inc., Altaf Soorty, Zoran Cocov, (collectively, the “**Ramara Debtors**”)

B. Pursuant to an Order of the Court dated June 8, 2015, the Court approved the agreement of purchase and sale made as of the 27th day of May, 2015 (the “**Sale Agreement**”) between the Receiver and 1932425 Ontario Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Ramara Debtors’ 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; and (ii) 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 Sale 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 Sale Agreement;
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____, 2015.

ROSEN GOLDBERG INC., in its capacity as Court-Appointed Receiver and Construction Lien Trustee of the assets, undertakings and properties of 6711162 Canada Inc., 1794247 Ontario Inc., 1387267 Ontario Inc., 1564168 Ontario Inc., 2033387 Ontario Inc., Hugel Lofts Ltd., Altaf Soorty and Zoran Cocov, and not in its personal or corporate capacity

Per: _____

Name: Brahm Rosen

Title: President

Schedule B1 – Purchased Assets

PIN 74018-0017 (LT)

PT LT 2 CON BF RAMA; PT LT 3 CON BF RAMA; PT LT 4 CON BF RAMA AS IN
RO1403266; S/T RO689231, RO708386 RAMARA

Being all of PIN 74018-0017 (LT)

Land Titles Division for the Land Registry Office of Simcoe (No. 51)

Municipally known as 5781 Rama Road, Township of Ramara, Ontario

Schedule B2 – Purchased Assets

PIN 74018-0018 (LT)

PT LT 3 CON BF RAMA PT LT 1 51R5598; RAMARA

Being all of PIN 74018-0018 (LT)

Land Titles Division for the Land Registry Office of Simcoe (No. 51)

Municipally known as 5819 Rama Road, Township of Ramara, Ontario

Schedule B3 – Purchased Assets

PIN 58696-0021 (LT)

PT LT 3 CON BF RAMA PT 6, 40R645, RAMARA

Being all of PIN 58696-0021 (LT)

Land Titles Division for the Land Registry Office of Simcoe (No. 51)

Municipally known as 4243 Hopkins Bay Road, Township of Ramara, Ontario

Schedule B4 – Purchased Assets

PIN 58696-0207 (LT)

PT LT 3 CON BF RAMA, PTS 2 TO 7 INCL. PL 51R30563, S/T MINERAL RIGHTS AS IN RAM174592, T/W ROW OVER PT 2 PL 51R30736 AS IN LT519213, T/W ROW OVER PT 4 PL 51R30736 AS IN LT519214, S/T ROW OVER PTS 6 & 7 51R30563 AS IN SC286231, RAMARA

Being all of PIN 58696-0207 (LT)

Land Titles Division for the Land Registry Office of Simcoe (No. 51)

Municipally known as 4285 Hopkins Bay Road, Township of Ramara, Ontario

Schedule B5 – Purchased Assets

PIN 58696-0219 (LT)

CONSOLIDATION OF VARIOUS PROPERTIES – PT LOT 3 CON BF RAMA PT 1, 51R25909, T/W RO130544 EXCEPT 2ND T/W, T/W R-O-W OVER PTS 6 & 7 51R30563 AND PT 4 51R30736 AS IN SC286231, PART LT 3 CON BF RAMA PT 5 40R645, T/W RAM141949, T/W RAM174031, RAMARA

Being all of PIN 58696-0219 (LT)

Land Titles Division for the Land Registry Office of Simcoe (No. 51)

Municipally known as 4271-4275 Hopkins Road, Township of Ramara, Ontario

**Schedule C1 – Claims to be deleted and expunged from
PIN 74018-0017 (LT)**

1. Instrument No. SC557989 registered 2007/06/29 – Transfer in favour of 6711162
Canada Inc.

**Schedule C2 – Claims to be deleted and expunged from
PIN 74018-0018 (LT)**

1. Instrument No. SC557989 registered 2007/06/29 – Transfer in favour of 6711162
Canada Inc.

**Schedule C3 – Claims to be deleted and expunged from
PIN 58696-0021 (LT)**

1. Instrument No. SC725469 registered 2009/03/30 – Transfer in favour of 1794247 Ontario Inc.

**Schedule C4 – Claims to be deleted and expunged from
PIN 58696-0207 (LT)**

1. Instrument No. SC725471 registered 2009/03/30 – Transfer in favour of 1794247 Ontario Inc.

**Schedule C5 – Claims to be deleted and expunged from
PIN 58696-0219 (LT)**

1. Instrument No. SC822341 registered 2010/05/25 – Transfer in favour of Altaf Soorty and Zoran Cocov

**Schedule D1 – Permitted Encumbrances, Easements and Restrictive Covenants
related to PIN 74018-0017 (LT)**

(unaffected by the Vesting Order)

1. Instrument No. RAM154509 registered 1967/06/12 - Bylaw
2. Instrument No. 51R8746 registered 1979/06/21 – Plan Reference
3. Instrument No. RO689231 registered 1979/10/05 –Transfer Easement in favour of Bell Canada
4. Instrument No. 51R9252 registered 1980/01/23 – Plan Reference
5. Instrument No. RO708386 registered 1980/06/17 –Transfer Easement in favour of Bell Canada
6. Instrument No. 51R25924 registered 1995/12/18 – Plan Reference
7. Instrument No. SC924452 registered 2011/08/17 – Charge in favour of Romspen Investment Corporation
8. Instrument No. SC924453 registered 2011/08/17 – Notice of General Assignment of Rents in favour of Romspen Investment Corporation

**Schedule D2 – Permitted Encumbrances, Easements and Restrictive Covenants
related to PIN 74018-0018 (LT)**

(unaffected by the Vesting Order)

1. Instrument No. RAM154509 registered 1967/06/12 - Bylaw
2. Instrument No. 51R5598 registered 1976/04/06 – Plan Reference
3. Instrument No. SC924452 registered 2011/08/17 – Charge in favour of Romspen Investment Corporation
4. Instrument No. SC924453 registered 2011/08/17 – Notice of General Assignment of Rents in favour of Romspen Investment Corporation

**Schedule D3 – Permitted Encumbrances, Easements and Restrictive Covenants
related to PIN 58696-0021 (LT)**

(unaffected by the Vesting Order)

1. Instrument No. RAM154509 registered 1967/06/12 – Bylaw
2. Instrument No. 40R645 registered 1971/12/06 – Plan Reference
3. Instrument No. SC924454 registered 2011/08/17 – Charge in favour of Romspen Investment Corporation
4. Instrument No. SC924455 registered 2011/08/17 – Notice of General Assignment of Rents in favour of Romspen Investment Corporation

**Schedule D4 – Permitted Encumbrances, Easements and Restrictive Covenants
related to PIN 58696-0207 (LT)**

(unaffected by the Vesting Order)

1. Instrument No. RAM154509 registered 1967/06/12 – Bylaw
2. Instrument No. 51R30563 registered 2001/08/23 – Plan Reference
3. Instrument No. SC286231 registered 2004/11/29 – Application to Amend Order
4. Instrument No. SC924454 registered 2011/08/17 – Charge in favour of Romspen Investment Corporation
5. Instrument No. SC924455 registered 2011/08/17 – Notice of General Assignment of Rents in favour of Romspen Investment Corporation

**Schedule D5 – Permitted Encumbrances, Easements and Restrictive Covenants
related to PIN 58696-0219 (LT)**

(unaffected by the Vesting Order)

1. Instrument No. RAM154509 registered 1967/06/12 – Bylaw
2. Instrument No. 40R645 registered 1971/12/06 – Plan Reference
3. Instrument No. 51R25909 registered 1995/12/12 – Plan Reference
4. Instrument No. SC286231 registered 2004/11/29 – Application to Amend Order
5. Instrument No. SC588816 registered 2007/10/03 – Application to Consolidate
6. Instrument No. SC822342 registered 2010/05/25 – Charge in favour of The Toronto-Dominion Bank
7. Instrument No. SC924450 registered 2011/08/17 – Charge in favour of Romspen Investment Corporation
8. Instrument No. SC924451 registered 2011/08/17 – Notice of General Assignment of Rents in favour of Romspen Investment Corporation

ROMSPEN INVESTMENT CORPORATION
Applicant

-and- **6711162 CANADA INC. et al**
Respondents

Court File No. CV-14-10470-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

APPROVAL AND VESTING ORDER

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