

the 12th day of May, 2015 and appended to the Second Report of the Receiver dated June 3, 2015 (the “**Second Report**”), 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.

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 Debtor’s right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B 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; (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 Schedule C 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 Schedule D) 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 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 the purchase price payable for the Purchased Assets under the Sale Agreement shall be satisfied as follows:

- (a) outstanding realty taxes owing in respect of the Real Property, together with all interest, interest on late interest, and penalties thereon as of the date of closing;
- (b) that portion of the Receiver’s Borrowing Charge (as such term is defined in the Appointment Order) attributable to the Debtor and all of the Debtor’s obligations to creditors who have a lien, charge, security interest or deemed trust in the Debtor’s property and assets which rank in priority to the security held by Romspen Investment Corporation (“**Romspen**”) against the Real Property, including without limitation, the legitimate claims of lienholders to priority over Romspen in respect of the Real Property under the *Construction Lien Act* (Ontario); and
- (c) the balance of the purchase price shall be applied, without physical circulation of funds, in partial reduction of the Romspen Indebtedness (as that such term is defined in the Sale Agreement) 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 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 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.

ENTERED AT / INSCRIT À 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
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

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

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 Hugel Lofts Ltd. (the “**Debtor**”).

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 12th day of May, 2015 (the “**Sale Agreement**”) between the Receiver and RIC (Marine Condo) Inc. (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 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;

2. ~~The conditions to Closing as set out in sections 17, 18 and 19 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;~~ and BR

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 B – Purchased Assets

PIN 58452-0395 (LT)

PT OF THE WATER LOT INFRONT OF LOT 109 CON 1 TAY BEING PT 2 ON PL 51R33558, T/W RO246115, MIDLAND, SUBJECT TO AN EASEMENT AS IN SC1111455

Being all of PIN 58452-0395 (LT)

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

Schedule C – Claims to be deleted and expunged from title to Real Property

1. Instrument No. SC541705 registered 2007/05/08 – Notice
2. Instrument No. SC987183 registered 2012/06/08 – Transfer Power of Sale in favour of Hugel Lofts Limited
3. Instrument No. SC987184 registered 2012/06/08 – Charge in favour of Laurentian Bank of Canada
4. Instrument No. SC987185 registered 2012/06/08 – Notice of General Assignment of Rents in favour of Laurentian Bank of Canada
5. Instrument No. SC1016197 registered 2012/10/04 – Application to Change Name of Owner
6. Instrument No. SC1018260 registered 2012/10/16 – Charge in favour of Romspen Investment Corporation
7. Instrument No. SC1018261 registered 2012/10/16 – Notice of General Assignment of Rents in favour of Romspen Investment Corporation
8. Instrument No. SC1018329 registered 2012/10/16 – Transfer of Charge from Laurentian Bank of Canada to Romspen Investment Corporation
9. Instrument No. SC1019044 registered 2012/10/19 – Transfer of Notice of General Assignment of Rents from Laurentian Bank of Canada to Romspen Investment Corporation
10. Instrument No. SC1105150 registered 2013/12/11 – Construction Lien in favour of Norton Electric Corporation (Canada)
11. Instrument No. SC1105187 registered 2013/12/11 – Construction Lien in favour of Fritrust Plumbing and Drain Services Ltd.
12. Instrument No. SC1106032 registered 2013/12/13 – Construction Lien in favour of 4536631 Canada Inc.
13. Instrument No. SC1107140 registered 2013/12/19 – Construction Lien in favour of Sierra Construction (Woodstock) Limited
14. Instrument No. SC1107376 registered 2013/12/19 – Construction Lien in favour of Roofco Ontario Inc.
15. Instrument No. SC1107802 registered 2013/12/20 – Construction Lien in favour of S. Charlebois Haulage and Excavating Ltd.
16. Instrument No. SC1112197 registered 2014/01/24 – Certificate of Action regarding Instrument No. SC1105150

17. Instrument No. SC1112787 registered 2014/01/29 – Certificate of Action regarding Instrument No. SC1105187
18. Instrument No. SC1112816 registered 2014/01/29 – Certificate of Action regarding Instrument No. SC1106032
19. Instrument No. SC1114002 registered 2014/02/04 – Certificate of Action regarding Instrument No. SC1107376
20. Instrument No. SC1114278 registered 2014/02/06 – Certificate of Action regarding Instrument No. SC1107802
21. Instrument No. SC1114337 registered 2014/02/06 – Certificate of Action

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Instrument No. RO145523 registered 1962/02/07 – Bylaw
2. Instrument No. 51R33558 registered 2005/04/06 – Plan Reference
3. Instrument No. SC318366 registered 2005/04/06 – Application for Absolute Title
4. Instrument No. SC1111455 registered 2014/01/20 – Transfer Easement in favour of Rogers Communications Inc.

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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