

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE )  
JUSTICE *NEUBOLD* )  
)

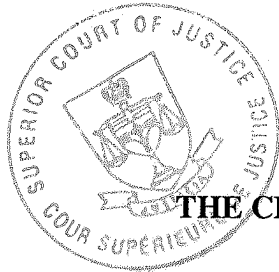
TUESDAY, THE 30th  
DAY OF AUGUST, 2016

BETWEEN:

**HSBC BANK CANADA**

Applicant

- and -



**THE CEDAR RUN CORPORATION and INDIAN BROOK CORP.**

Respondents

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by BDO Canada Limited in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of The Cedar Run Corporation (“**Cedar Run**”) and Indian Brook Corp. (“**Indian Brook**”, and together with Cedar Run, the “**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 BG Investments Corp. (“**BG Investments**”) dated July 30, 2016, as assigned by BG Investments to 2533827 Ontario Limited (the “**Purchaser**”), and appended to the Third Report of the Receiver dated August 19, 2016 (the “**Third Report**”), and vesting in and to the Purchaser the Debtors’ right, title and interest, if any, 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 Third Report, the Supplement to the Third Report of the Receiver dated August 29, 2016 (the “**Supplemental Report**”) and the affidavits of the Receiver and its

counsel as to fees (the “**Fee Affidavits**”) and on hearing the submissions of counsel for the Receiver, and those other parties present, no one else appearing for any other person on the service list, although properly served as appears from the affidavits of Joanna Lewandowska sworn August 19, 2016 and August 29, 2016, filed:

1. THIS COURT ORDERS AND DECLARES that the time for service of the Motion Record and Supplementary Motion Record filed in respect of this Motion 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 Debtors’ right, title and interest, if any, in and to the Purchased Assets, including the real property identified in Schedule B hereto (the “**Real Property**”), 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, 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 Conway dated April 2, 2016; (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 including, but not limited to, those listed on Schedule C hereto; and (iii) those Claims listed on Schedule D 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 E) 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 Registry Office for the Land Titles Division of Grey 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 as the owner of the subject Real Property identified in Schedule B hereto in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Encumbrances listed in Schedule D 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 Purchased Assets shall stand in the place and stead of the Purchased Assets, 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 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.

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 Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the 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 Debtors and shall not be void or voidable by creditors of the 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 ORDERS AND DECLARES that the Receiver be and is hereby authorized and directed, *nunc pro tunc*, to redact from the Third Report:

- (a) the commercially sensitive information contained therein;
- (b) the unredacted version of the Sale Agreement attached as Confidential Appendix "I";
- (c) the appraisals previously obtained by the Receiver and the Applicant attached as Confidential Appendix "II";
- (d) the CBRE marketing report attached as Confidential Appendix "III"; and
- (e) the Summary of Offers attached as Confidential Appendix "IV".

10. THIS COURT ORDERS that the unredacted version of the Third Report filed with this Honourable Court be sealed from the public record until the closing of the Transaction or further order of this Honourable Court.

11. THIS COURT ORDERS AND DECLARES that the Receiver be and is hereby authorized and directed, *nunc pro tunc*, to redact from the Supplemental Report:

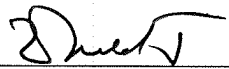
- (a) the offers for the Properties attached as Confidential Appendix "A"; and
- (b) the offers for the Properties attached as Confidential Appendix "B".

12. THIS COURT ORDERS that the unredacted version of the Supplemental Report filed with this Honourable Court be sealed from the public record until the closing of the Transaction or further order of this Honourable Court.

13. THIS COURT ORDERS AND DECLARES that the Third Report and the Supplemental Report and the activities and conduct of the Receiver, as set out therein, be and are hereby approved.

14. THIS COURT ORDERS AND DECLARES that the fees and disbursements of the Receiver and its counsel, as set out in the Third Report and the Fee Affidavits, be and are hereby approved and the Receiver is hereby authorized to pay all unpaid fees and disbursements herein approved.

15. 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:

AUG 30 2016

PER / PAR:



**Schedule A – Form of Receiver’s Certificate**

Court File No. CV-15-10922-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N:**

**HSBC BANK CANADA**

Applicant

- and -

**THE CEDAR RUN CORPORATION and INDIAN BROOK CORP.**

Respondents

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (the “**Court**”) dated April 2, 2016, BDO CANADA LIMITED was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of THE CEDAR RUN CORPORATION and INDIAN BROOK CORP (the “**Debtors**”).

B. Pursuant to an Order of the Court dated August 30, 2016 (the “**Approval and Vesting Order**”), the Court approved the agreement of purchase and sale made as of July 30, 2016 (the “**Sale Agreement**”) between the Receiver and BG Investments Corp. (“**BG Investments**”), as assigned by BG Investments to 2533827 Ontario Limited (the “**Purchaser**”), and provided for the vesting in the Purchaser of the Debtors’ right, title and interest, if any, in and to the assets described in the Sale Agreement (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; (ii) that the conditions to Closing as set out in Schedule A to the Sale Agreement have

been satisfied or waived by the Receiver and the Purchaser; and (iii) 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 and the Approval and Vesting Order.

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 Schedule A to the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**BDO CANADA LIMITED, in its capacity as  
Receiver of the undertaking, property and  
assets of THE CEDAR RUN  
CORPORATION and INDIAN BROOK  
CORP., and not in its personal capacity**

Per: \_\_\_\_\_

Name:

Title:

**Schedule B – Purchased Assets**

**PIN 37142-0348 (LT)**

LT 12-14 PL 1035; BLK 20 PL 1035; THE BLUE MOUNTAINS

**PIN 37142-0349 (LT)**

LT 16 PL 1035; THE BLUE MOUNTAINS

**PIN 37142-0362 (LT)**

PT LT 29 CON 9 COLLINGWOOD PT I & 2 16R9112; TOWN OF THE BLUE MOUNTAINS

**PIN 37142-0363 (LT)**

LT 2-11 PL 1035; BLK 17-19, 22 PL 1035; TOWN OF THE BLUE MOUNTAINS

**PIN 37142-0364 (LT)**

PT LT 29 CON 9 COLLINGWOOD PT 1 & 3 16R706; TOWN OF THE BLUE MOUNTAINS

**PIN 37142-0148 (LT)**

BLK 21 PL 1035; THE BLUE MOUNTAINS



**Schedule C**  
**Claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario)**

**Personal Property Security Act ("PPSA")**

We obtained a certificate from the Registrar of Personal Property Security with respect to The Cedar Run Corporation (file currency: August 3, 2016) which discloses the following financing statements and financing change statements filed under the PPSA.

No.	Page No.	Debtor(s)	Secured Party(ies)	File No. and Registration No./ Date of Registration	Registration/ Renewal Period (years)	Collateral Classification	Comments
1	2	THE CEDAR RUN CORPORATION 20 BALSAM STREET SUITE 14 COLLINGWOOD, ON L9Y 4H7	JOHN DEERE FINANCIAL INC. 1001 CHAMPLAIN AVE SUITE 401 BURLINGTON, ON L7L 5Z4	687027618 20130517 1431 8077 5731 MAY 17, 2013	4	EQUIPMENT, OTHER	
2	3	THE CEDAR RUN CORPORATION 20 BALSAM STREET SUITE 14 COLLINGWOOD, ON L9Y 4H7	JOHN DEERE FINANCIAL INC. 1001 CHAMPLAIN AVE SUITE 401 BURLINGTON, ON L7L 5Z4	687043035 20130517 1633 8077 5755 MAY 17, 2013	4	EQUIPMENT, OTHER, MOTOR VEHICLE INCLUDED	MOTOR VEHICLE: YEAR: 2013 MAKE: JOHN DEERE MODEL: 625GSM V.I.N.: 1M0625GSLDM060621
3	4	THE CEDAR RUN CORPORATION 20 BALSAM STREET SUITE 14 COLLINGWOOD, ON L9Y 4H7	JOHN DEERE FINANCIAL INC. 1001 CHAMPLAIN AVE SUITE 401 BURLINGTON, ON L7L 5Z4	687043053 20130517 1633 8077 5757 MAY 17, 2013	4	EQUIPMENT, OTHER, MOTOR VEHICLE INCLUDED	MOTOR VEHICLE: YEAR: 2013 MAKE: JOHN DEERE MODEL: 997SBTC V.I.N.: 1TC997SBCT070067
4	5	THE CEDAR RUN CORPORATION 20 BALSAM STREET SUITE 14 COLLINGWOOD, ON L9Y 4H7	HSBC BANK CANADA 4500 HIGHWAY #7 SUITE 200 WOODBRIIDGE, ON L4L 4Y7	676461096 20120227 1440 1862 2233 FEBRUARY 27, 2012	5	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	
5	6	THE CEDAR RUN CORPORATION 20 BALSAM STREET COLLINGWOOD, ON L9Y 4H7	JOHN DEERE CREDIT INC. 1001 CHAMPLAIN AVE SUITE 401 BURLINGTON, ON L7L 5Z4	665527761 20101029 1708 8077 6122 OCTOBER 29, 2010	7	EQUIPMENT, OTHER	

**Personal Property Security Act ('PPSA')**

We obtained a certificate from the Registrar of Personal Property Security with respect to Indian Brook Corp (file currency: August 3, 2016) which discloses the following financing statements and financing change statements filed under the PPSA.

No.	Page No.	Debtor(s)	Secured Party(ies)	File No. and Registration No./ Date of Registration	Registration/ Renewal Period (years)	Collateral Classification	Comments
1	2	INDIAN BROOK CORP. 14-20 BALSAM STREET COLLINGWOOD, ON L9Y 4H7	HSBC BANK CANADA 4500 HIGHWAY #7 SUITE 200 WOODBURIDGE, ON L4L 4X7	676470618 20120227 1637 1862 2279 FEBRUARY 27, 2012	5	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE INCLUDED	

## **Schedule D – Claims to be deleted and expunged from title to Real Property**

1. Instrument No. GY60786 registered March 12, 2012, being a Charge between THE CEDAR RUN CORPORATION and HSBC BANK CANADA;
2. Instrument No. GY60787 registered March 12, 2012, being an Assignment of Rents between THE CEDAR RUN CORPORATION and HSBC BANK CANADA;
3. Instrument No. R384614 registered July 15, 1997, being a Tax Arrears Cancellation Certificate in favour of SAMUEL BURKE;
4. Instrument No. R384619 registered July 15, 1997, being a Tax Arrears Cancellation Certificate in favour of SAMUEL BURKE;
5. Instrument No. R384621 registered July 15, 1997, being a Tax Arrears Cancellation Certificate in favour of SAMUEL BURKE;
6. Instrument No. GY97748 registered October 14, 2014, being a Charge from THE CEDAR RUN CORPORATION in favour of E.M.E. MANAGEMENT INC.;
7. Instrument No. GY60788 registered March 12, 2012, being a Charge from INDIAN BROOK CORP. in favour of HSBC BANK CANADA;
8. Instrument No. GY60789 registered March 12, 2012, being an Assignment of Rents from INDIAN BROOK CORP. in favour of HSBC BANK CANADA;
9. Instrument No. GY97747 registered October 14, 2014, being a Charge from INDIAN BROOK CORP. in favour of E.M.E. MANAGEMENT INC.

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

**(unaffected by the Vesting Order)**

1. Instrument No. R198600 registered August 15, 1980, being an Agreement with THE CORPORATION OF THE TOWNSHIP OF COLLINGWOOD.

**HSBC BANK CANADA**  
Applicant

and

**THE CEDAR RUN CORPORATION AND INDIAN BROOK CORP.**  
Respondents

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

**ORDER**

**DENTONS CANADA LLP**

Toronto-Dominion Centre  
77 King Street West, Suite 400  
Toronto, ON M5K 0A1  
Fax: 416-863-4592

**Ron Matheson (LSUC # 19983C)**

Tel: 416-863-4692  
Email: [ron.matheson@dentons.com](mailto:ron.matheson@dentons.com)

**John Salmas (LSUC # 42336B)**

Tel: 416-367-4737  
Email: [john.salmas@dentons.com](mailto:john.salmas@dentons.com)

**Tevia Jeffries (LSBC # 510641)**

Tel: 604-691-6427  
Email: [tevia.jeffries@dentons.com](mailto:tevia.jeffries@dentons.com)

*Lawyers for the Receiver, BDO Canada Limited*