

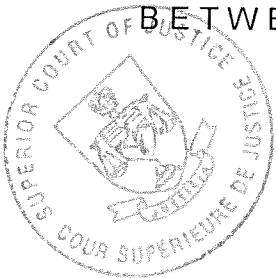
ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE  
JUSTICE HAINEY

)  
)  
)

FRIDAY, THE 26<sup>th</sup>  
DAY OF AUGUST, 2016

BETWEEN:



EMMANUEL VILLAGE RESIDENCE INC.

Applicant

- and -

ATTORNEY GENERAL OF ONTARIO

Applicant

- and -

1250 WEBER STREET EAST, KITCHENER, ONTARIO OR THE PROCEEDS OF THE  
SALE THEREOF (IN REM)

Respondent

APPROVAL AND VESTING ORDER  
(Sale to Revera Inc.)

**THIS MOTION**, made by Emmanuel Village Residence Inc. (the "**Company**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Company and Revera Inc. (the "**Purchaser**") dated August 12, 2016, and vesting in the Purchaser all of the Company'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 affidavit of Judith Ann Hunking, sworn August 19, 2016 (the "**Hunking Affidavit**") and the third report of BDO Canada Limited, in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of the Company, dated August 19, 2016 (the "**Report**"), and the confidential supplement to the Report, and on hearing the submissions of counsel for the Company, the Receiver, the Purchaser, HMT Holdings Inc., Sure Mortgage Capital Inc., Plaintiffs in Court File No. CV-10-8597-00CL, the Retirement Homes Regulatory Authority, and the Attorney General of Ontario ("**AGO**"), no one appearing for any other person on the service list, although properly served as appears from the affidavit of Jennifer Whincup sworn August 23, 2016 filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Company is hereby authorized and approved, with such minor amendments as the Company may deem necessary, with the approval of the Receiver. The Company and the Receiver are 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.
  
2. **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 (including without limitation the real property identified in Schedule B hereto) 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 Penny dated June 24, 2016; (ii) any encumbrances, charges, restrictions or rights in favour of the AGO either under the Order of the Honourable Justice Sloan dated June 16, 2016 in Superior Court of Justice File No. C-

636-16 (as amended by Order of Justice D.A. Broad dated June 23, 2016, as amended and extended by Order of the Honourable Justice Hainey dated July 15, 2016, as transferred to the Commercial List by Order of the Honourable Justice Newbould dated July 22, 2016 and as consolidated into these proceedings by Order of the Honourable Justice Conway dated July 22, 2016) or under the Order of the Honourable Justice Pattillo dated July 27, 2016 in these proceedings; (iii) 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 without limitation those items referenced in Schedule E hereto; (iv) 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 (v) any and all rights which any owner of a lifelease at Emmanuel Village Homes Inc. may have to receive any services or amenities from the Company, 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.

3. **THIS COURT ORDERS** that, upon the registration in Land Titles Division of Waterloo (No. 58) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar for the Land Titles Division of Waterloo (No. 58) 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.

4. **THIS COURT ORDERS** that the registration of this Order on title to the Real Property is not prohibited by any of the previously registered "no dealings" indicators or other restrictions, including without limitation those in any of Instrument No. WR959399, Instrument No. WR961087, Instrument No. WR966314, Instrument No. WR967194 or Instrument No. WR970673, each of which instruments is listed in Schedule C 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, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Company is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Company's past and current employees, including personal information of those employees listed on Schedule "9.1" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Company.

8. **THIS COURT ORDERS** that, notwithstanding:

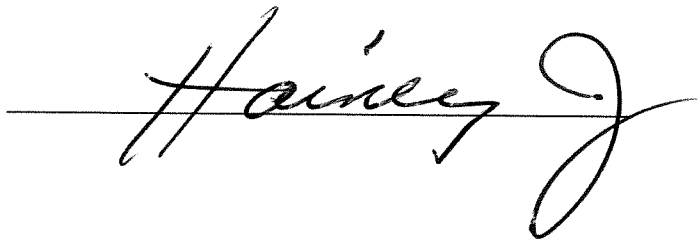
- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Company and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made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

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 Company and shall not be void or voidable by creditors of the Company, 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.

9. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

10. **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.

A handwritten signature in cursive script, reading "Hainey J.", written over a horizontal line.

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

AUG 26 2016

PER / PAR:

A small handwritten signature or mark, possibly initials, written in cursive.

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

Court File No. CV-16-11424-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**EMMANUEL VILLAGE RESIDENCE INC.**

Applicant

- and -

**EMMANUEL VILLAGE RESIDENCE INC.**

Respondent

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (the "**Court**") dated June 24, 2014, BDO Canada Limited was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Emmanuel Village Residence Inc. (the "**Company**").

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "**Sale Agreement**") between the Company and Revera Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Company’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; (ii) that the conditions to Closing as set out in section • of the Sale Agreement have been satisfied

or waived by the Company 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.

**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 section • of the Sale Agreement have been satisfied or waived by the Company 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 Emmanuel Village  
Residence Inc., and not in its personal  
capacity**

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

Name:

Title:

## Schedule B – Real Property Legal Description

Municipal Description: 1250 Weber Street East, Kitchener, Ontario

Legal Description: LT 75-81 PL 322 TWP OF WATERLOO; PT LT 38-43, 51-56, 74, 82-85 PL 322 TWP OF WATERLOO; PT LT 2 PL 963 KITCHENER, PT LT 141 STREETS AND LANES KITCHENER; PT LT 142 STREETS & LANES KITCHENER (FORMERLY PT HERMAN AV & PT AUBURN AV PL 322, CLOSED BY 210008) PT 1, 2, 3, 4, 5, 6, 7, 58R13759; S/T & T/W 1566343; S/T 1404828, 1559347, 1563157; KITCHENER

PIN: 22565-0352 (LT)



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

1. Instrument No. WR608571, registered April 15, 2011 being an Application for Court Order;
2. Instrument No. WR608873, registered April 18, 2011 being an Application for Court Order;
3. Instrument No. WR821198, registered June 12, 2014 being a charge in favour of HMT Holdings Inc.;
4. Instrument No. WR821199, registered June 12, 2014 being a notice of assignment of rents – general in favour of HMT Holdings Inc.;
5. Instrument No. WR821246, registered June 12, 2014 being a charge in favour of Sure Mortgage Capital Inc.;
6. Instrument No. WR821247, registered June 12, 2014 being a notice of assignment of rents – general in favour of Sure Mortgage Capital Inc.;
7. Instrument No. WR938102, registered February 25, 2016 being notice of terms amending the charge registered as Instrument No. WR821198;
8. Instrument No. WR959399, registered June 16, 2016 being an Application for Restrictions Based on Court Order;
9. Instrument No. WR961087, registered June 24, 2016 being an Application for Restrictions Based on Court Order;
10. Instrument No. WR966314, registered July 15, 2016 being an Application for Restrictions Based on Court Order;
11. Instrument No. WR967194, registered July 20, 2016 being an Application for Court Order; and
12. Instrument No. WR970673, registered August 3, 2016 being an Application for Restrictions Based on Court Order.

**Schedule D – Permitted Encumbrances, Easements and Restrictive  
Covenants  
related to the Real Property (unaffected by the Vesting Order)**

**Schedule E – Personal Property Security Act (Ontario) Registrations to be vested out**

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Reference File No. &amp; Registration Number (Registration Period)</b>	<b>Collateral Classification</b>	<b>Amendments/Assignments Discharges/Renewals Transfers/Subordinations</b>
1.	Sure Mortgage Capital Inc.	Emmanuel Village Residence Inc.	697063815 – 20140612 1336 2067 1330 (5 years)	Inventory, Equipment, Accounts, Other	
2.	HMT Holdings Inc. in Trust	Emmanuel Village Residence Inc.	696941451 – 20140609 1503 1590 3885 (3 years)	Inventory, Equipment, Accounts, Other, Motor Vehicles	<u>Renewed by 20160212 1049 1590 3257</u> 1 year
3.	Bank of Nova Scotia – Ontario CAU	Emmanuel Village Residence Inc	679485213 – 20120626 1705 1219 2809 (5 years)	Other, Motor Vehicles, Amount Secured: \$24,444, 2012 Dodge Grand Caravan, VIN listed	

6600699

EMMANUEL  
VILLAGE  
RESIDENCE INC.

- and  
-  
ATTORNEY  
GENERAL OF  
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- and 1250 WEBER STREET EAST, KITCHENER,  
- ONTARIO OR THE PROCEEDS OF THE  
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Court File No. CV-16-11424-  
00CL

Applicant

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Respondent

**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER  
(Sale to Revera Inc.)**

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Inc.