

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) MONDAY, THE 24TH
)
JUSTICE D. BROWN) DAY OF MARCH, 2014
)

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED
AND

IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c. C.43, AS AMENDED WITH RESPECT TO DONDEB INC. AND ALL THE
DEBTORS LISTED AT SCHEDULE "A" HERETO

APPROVAL AND VESTING ORDER
(Remo's Ristoranti)

THIS MOTION, made by A. Farber & Partners Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Dondeb Inc. ("**Dondeb**") and the other debtors referred to at Schedule A attached hereto (collectively, the "**Debtors**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and SGH Investments Inc. (the "**Purchaser**") in trust for a company to be incorporated made as of February 19, 2014 (the "**Sale Agreement**"), and appended to the eleventh report to Court of the Receiver dated March 17, 2014 (the "**Eleventh Report**"), and vesting in the Purchaser all of the right, title and interest of Dondeb, if any, in and to the Purchased Property (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Eleventh Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service of Monique Sassi sworn March 17 and 18, 2014 filed:

1. 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 Property 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 B hereto (the "**Receiver's Certificate**"), all of Dondeb's right, title and interest in and to the Purchased Property, if any, 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 Campbell dated October 17, 2012; (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 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 Property are hereby expunged and discharged as against the Purchased Property.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Simcoe 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 C 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 D hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Property shall stand in the place and stead of the Purchased Property, 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 Property with the same priority as they had with respect to the Purchased Property immediately prior to the sale, as if the Purchased Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in Dondeb's records related to the Purchased Property which pertain to the past and current employees. 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 Dondeb.

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 Dondeb and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made in respect of Dondeb;

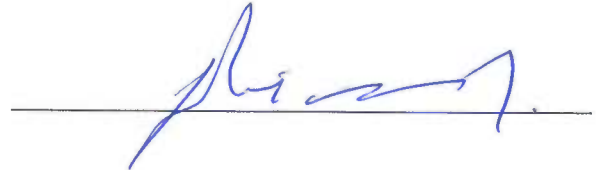
the vesting of the Purchased Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Dondeb and shall not be void or voidable by creditors of Dondeb, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, 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 AND DIRECTS that Confidential Appendix “4” of the Eleventh Report be sealed until the filing of the Receiver’s Certificate with the Court or until further order of this Court.

11. THIS COURT ORDERS AND DECLARES that the relief granted by this order is subject to provisional execution.



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

MAR 24 2014



Schedule A – Debtors

1281515 Ontario Inc.

2338067 Ontario Inc.

2198392 Ontario Ltd.

King City Holdings Ltd.

Guelph Financial Corporation

Briarbrook Apartments Inc.

2009031 Ontario Inc.

1267818 Ontario Ltd.

1711060 Ontario Ltd.

1182689 Ontario Inc.

Ace Self Storage and Business Centre Inc.

Schedule B – Form of Receiver’s Certificate

Court File No. CV-12-9794-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED
AND**

**IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c. C.43, AS AMENDED WITH RESPECT TO DONDEB INC. AND ALL THE
DEBTORS LISTED AT SCHEDULE “A” HERETO**

**RECEIVER’S CERTIFICATE
(Remo’s Ristoranti)**

RECITALS

A. Pursuant to an Order of the Honourable Justice Campbell of the Ontario Superior Court of Justice (the “**Court**”) dated October 17, 2012, A. Farber & Partners Inc. was appointed as the receiver (the “**Receiver**”) of the undertaking, property and assets of Dondeb Inc. (“**Dondeb**”) and the other debtors referred to at Schedule A of the order.

B. Pursuant to an Order of the Court dated March 24, 2014, the Court approved an agreement of purchase and sale between the Receiver and SGH Investments Inc. (the “**Purchaser**”) in trust for a company to be incorporated made as of February 19, 2014 (the “**Sale Agreement**”), and provided for the vesting in the Purchaser of Dondeb’s right, title and interest, if any, in and to the Purchased Property (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Property 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 Property; (ii) that the conditions

to Closing of 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.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Property payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing set out in 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].

A. Farber & Partners Inc., in its capacity as Receiver of the undertaking, property and assets of Dondeb Inc., and not in its personal capacity

Per: _____

Name:

Title:

Schedule C – Real Property

PIN 58678-0086 (LT) BEING LT 40 & PT LT 41 PL 432, being PTS 1, 2, 3, 4, 5 & 6 PL 51R35247 ; S/T ROW OVER PT LTS 40 & 41 PL 432, being PTS 2 & 5, PL 51R35247 IN FAVOUR PTS LTS 41 & 42 PL 432, being PTS 7 TO 12, 15 & 16, PL 51R35247 AND PT LT 42 & LT 43 PL 432, being PTS 13, 14 & 17, PL 51R35247 AS IN SC560185; T/W ROW OVER PT LTS 41 & 42 PL 432, being PTS 8,11,13,14 & 15 PL 51R35247 AS IN SC560185; CITY OF ORILLIA

Schedule D

Claims to be deleted and expunged from title to Real Property

1. Instrument No. SC709026 registered on December 23, 2008, being a Charge in favour of Ontario Wealth Management Corporation.
 2. Instrument No. SC709027 registered on December 23, 2008, being a Notice of General Assignment of Rents in favour of Ontario Wealth Management Corporation.
 3. Instrument No. SC870248 registered on December 2, 2010, being a Notice of Change of Address of Ontario Wealth Management Corporation.
 4. Instrument No. SC1020873 registered on October 29, 2012 being an Application for Court Order granted by the Ontario Superior Court of Justice in favour of A. Farber & Partners Inc.
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Schedule E

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

(unaffected by the Vesting Order)

1. The Easements set out in Instrument No. SC560185 registered on July 9, 2007.

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C43, AS AMENDED WITH RESPECT TO DONDER INC. AND ALL THE DEBTORS LISTED AT SCHEDULE "A" HERETO

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

PROCEEDING COMMENCED AT TORONTO

**APPROVAL AND VESTING ORDER
(Remo's Ristorante)**

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LAWYERS FOR the Receiver