

# APPENDIX E

minutes, I determined that the Sealy  
Order was appropriate in the  
circumstances.

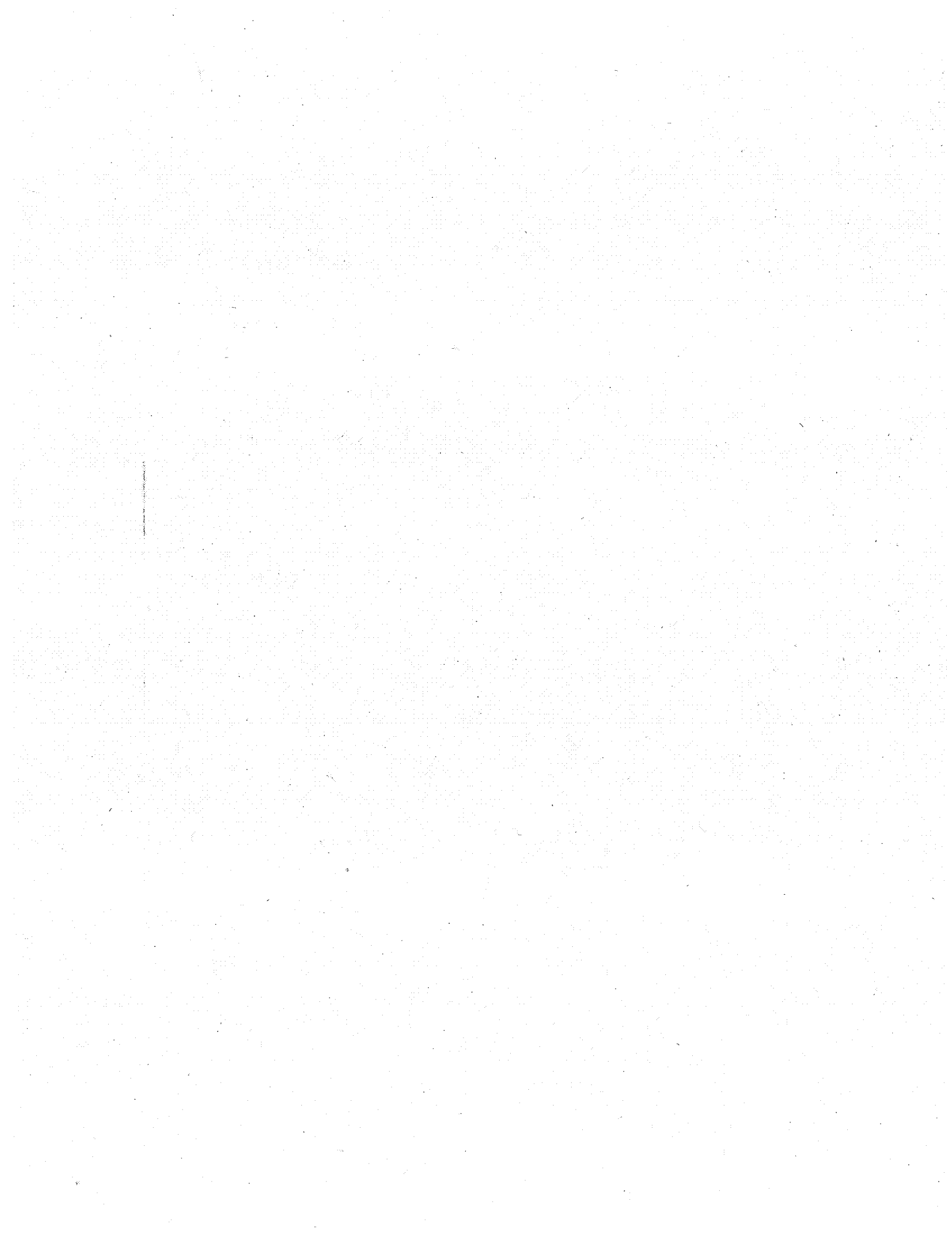
*[Signature]*

Jan 15, 2013

For oral reasons delivered today,  
the Tim Horrocks Tract, the  
Preston Spring Gardens Tract and the  
Dorset Place Tract are  
approved. ~~as stated in~~ Approval  
and Verdict Orders granted while  
orders are subject to provincial  
process.

Approval Note relating to Review's  
Report deferred to a later date;  
to be set by Council within

60 days.  
Sealy Order granted with respect to  
Confidential Appraisal  
A-D. *[Signature]*



CV-12-00009794-00CL

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 AMENDE WITH RESPECT TO DONDEB INC. AND ALL THE  
DEBTORS

ENDORSEMENT

BEFORE THE HONOURABLE JUSTICE G. B. MORAWETZ on January 15<sup>th</sup>,  
2013, at TORONTO, Ontario

APPEARANCES:

A. Apps

Counsel for the Defendant

J. Dietrich  
N. Rabinovitch  
K. Stigler

Counsel for the Receiver A Farber and Partners Inc

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of  
the Courts of Justice Act with respect to Dondeb Inc.

1 January 15, 2013

-2- UPON COMMENCING...

3

4

E N D O R S E M E N T

5

6 G. B. Morawetz, J. (Orally)

7

8

THE COURT: A Farber and Partners Inc., ("Farber"

9

or "the Receiver"), in its capacity as court

10

appointed receiver of Dondeb Inc. and related

11

debtors, ("Dondeb" or the "Debtor"), brought this

12

motion for approval of its Second Report and the

13

activities of the receiver set out therein, and

14

for an order approving four transactions: The Tim

15

Horton's Transaction, the Preston Springs

16

Transaction, the Devonshire Transaction, and the

17

Dorset Place Transaction.

18

19

The motion was originally returned on January 14,

20

2013. On the return of the motion, counsel of

21

record to Dondeb advised that Mr. Apps was now

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondob Inc.

1 acting on behalf of Dondob. An adjournment was  
2 requested.

3  
4 The adjournment was objected to by the Receiver  
5 and by the mortgagees in attendance. The reason  
6 for the objection was primarily that the  
7 transactions in question had certain time limits  
8 that form part of the contractual agreements that  
9 required court approval and the issuance of an  
10 approval and vesting order on a timely basis.

11  
12 The motion for approval of the Devonshire  
13 Transaction did proceed on January 14, 2013. The  
14 transaction was approved and the approval and  
15 vesting order was issued.

16  
17 Counsel for the Receiver advised there was a  
18 condition in the Tim Horton's Transaction and the  
19 Preston Springs Transaction that vesting orders be  
20 granted no later than January 15, 2013 and the  
21 Dorset Place Transaction had an approval deadline  
22 of January 21, 2013.

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondeb Inc.

1  
2 Under the circumstances I determined that it was  
3 appropriated to adjourn the motion for a period of  
4 twenty-four hours to today, namely, January 15<sup>th</sup>,  
5 so as to provide Mr. Apps with the opportunity to  
6 put forth argument on behalf of Dondeb. Mr. Apps  
7 filed an affidavit of Mr. Dancy sworn January 14,  
8 2013.

9  
10 A considerable portion of the affidavit does not,  
11 in my view, address the matters at issue on this  
12 motion. Rather the affidavit focuses to a large  
13 extent on historical aspects of the file,  
14 including the CCAA proceedings initiated by Dondeb  
15 which resulted in C. Campbell J., declining to  
16 issue an initial order under the CCAA and instead  
17 pronounce a global receivership order. Extensive  
18 reasons were provided by C. Campbell J. To the  
19 extent that Mr. Dancy is challenging past events,  
20 it is noted that no appeal was filed from the  
21 order of C. Campbell J. appointing Farber as

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondeb Inc.

1 Receiver, nor has any request been made to extend  
2 the time for appeal.

3  
4 In my view these issues are not before the court.  
5 To the extent that Mr. Dancy wishes to challenge  
6 the adequacy of the legal representation that he  
7 received during these proceedings, it appears to  
8 me that his remedy, if any, does not lie in the  
9 proceedings before the court today. In that  
10 respect, it is noted that the former solicitor has  
11 contacted the Law Society Practice Advisory  
12 Department to advise them of the concerns raised  
13 by Mr. Dancy and Mr. Apps has confirmed that the  
14 former solicitor has fully cooperated with him in  
15 the preparation for today's motion.

16  
17 To the extent that Mr. Dancy in his affidavit  
18 challenges the role of the receiver, including any  
19 potential conflict issues, it seems to me that if  
20 this challenge, is to go forward, Mr. Dancy will  
21 first have to obtain leave pursuant to section 215  
22 of the Bankruptcy and Insolvency Act ("BIA") and



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1                   pursuant to the provisions of the order appointing  
2                   the Receiver.

3  
4                   In the circumstances, however, I do feel that it  
5                   is prudent to defer the request of the Receiver to  
6                   receive approval of its Report until such time as  
7                   Mr. Apps has had an opportunity to fully consider  
8                   the issue.

9  
10                  The focus of the hearing today then shifted to the  
11                  Motion to approve the three transactions.

12  
13                  Section 247(b) of the BIA provides that a receiver  
14                  shall deal with the property of the insolvent  
15                  person in a commercially reasonable manner. The  
16                  receiver's duty is not to obtain the best price  
17                  but to do everything reasonably possible in the  
18                  circumstances to obtain the best price.

19                  *Skyepharm PLC v. Hyal Pharmaceutical Corp.*, 12  
20                  C.B.R. (4<sup>th</sup>) 87. The duties of the court in  
21                  reviewing a proposed sale of assets by a receiver

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondé Inc.

1 that is opposed by other interested parties are as  
2 follows:

3  
4 1) It should consider whether the receiver has  
5 made a sufficient effort to obtain the best  
6 price and has not acted improvidently,

7  
8 2) It should consider the interests of all  
9 parties,

10  
11 3) It should consider the efficacy and  
12 integrity of the process of which offers have  
13 been obtained, and

14  
15 4) It should consider whether there has been  
16 unfairness in the working out of the process.

17  
18 *Royal Bank v. Soundair Corp.*, 7 C.B.R. (3<sup>rd</sup>) 1,  
19 (Ont C. A.) *National Bank of Canada v. Global*  
20 *Fasteners and Clamps, Ltd.*, 24 C.B.R. (4<sup>th</sup>) 228.

21 The court must not, however, enter into the  
22 marketplace. It must not sit as if it were

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondob Inc.

1 hearing an appeal from the decision of the  
2 receiver, reviewing in detail every element of the  
3 process by which the receiver has arrived at its  
4 recommendation. *Crown Trust Co. v. Rosenberg* 67  
5 C.B.R. (N.S.) 320. If the receiver has acted  
6 fairly and reasonably and not arbitrarily, the  
7 court will ordinarily approve the recommendation  
8 of the receiver. *Integrated Building Corp. v.*  
9 *Bank of Nova Scotia*, 75 C.B.R. (N.S.) 158.

10  
11 It is only in exceptional circumstances that the  
12 court will intervene and proceed contrary to the  
13 recommendation of the receiver. *Crown Trust*  
14 *supra*.

15  
16 In this case the receiver has filed its Second  
17 Report and two supplements to the Second Report.  
18 I am not going to take the time in this  
19 endorsement to set out all of the facts that the  
20 receiver has relied on in arriving at its  
21 recommendation to proceed with the court

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondeb Inc.

1 application for the approval of the three  
2 transactions in question today.  
3

4 In addition, certain documentation is the subject  
5 of a request for sealing order. It seems to me  
6 that the confidential appendices do contain  
7 confidential information, the disclosure of which  
8 might be detrimental to stakeholders. In this  
9 respect I am satisfied, based on the Sierra Club  
10 principles, that the sealing order ought to be  
11 granted.  
12

13 I am given to understand that certain information  
14 has been provided to Mr. Apps that relates to the  
15 proposed purchase price of the transactions in  
16 question. I have also taken into account all the  
17 marketing efforts that receiver has referenced in  
18 its second report.  
19

20 The receiver is of the view that the market was  
21 extensively canvassed and a competitive process  
22 undertaken. The evidentiary background to the

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondeb Inc.

1 sale of the property with respect to the Tim  
2 Horton's Agreement, the Preston Springs  
3 Agreements, and the Dorset Place Agreement  
4 indicates that the Receiver has made substantial  
5 efforts in obtaining an adequate purchase price  
6 based on the multiple offers received and the  
7 negotiations entered into after showing the  
8 property to a variety of interested parties.  
9

10 With the respect to the Tim Horton's Agreement  
11 specifically, the Receiver is of the view that the  
12 highest and best purchase price has been received  
13 and the proposed purchaser has provided a  
14 substantial deposit and the relevant mortgagees  
15 have approved the Receiver entering into the  
16 agreement.  
17

18 With respect to the Preston Springs Agreement, the  
19 Receiver is of the view that the Preston Springs  
20 Agreement contains the highest and best purchase  
21 price of the offers received and that a  
22 substantial deposit has been provided and that the

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondob Inc.

1            prompt sale will curtail the ongoing need to fund  
2            holding costs of this vacant property and the  
3            mortgagee has approved the entering into of the  
4            agreement.

5  
6            With the respect to Dorset Place, the Receiver is  
7            of the view that the Dorset Place Agreement  
8            contains the highest and best purchase price of  
9            the offers received and that a substantial deposit  
10           has been provided and the relevant mortgagees have  
11           provided their approval to the entering into the  
12           transaction.

13  
14           I have also taken into account certain financial  
15           information that Mr. Dancy provided on the return  
16           of the CCAA Application which detailed a value  
17           that he himself had ascribed to certain  
18           properties. I am satisfied that the purchase  
19           price for the Tim Horton's Agreement and the  
20           Dorset Place Agent are reasonably consistent with  
21           the values put on the properties by Mr. Dancy.  
22           With respect to Preston Springs agreement, it does

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondeb Inc.

1 appear that the purchase price is somewhat less  
2 that the value ascribed by Mr. Dancy. However, I  
3 am satisfied based on the reasons provided by the  
4 Receiver that it cannot be said to be an  
5 unreasonable amount.  
6

7 With respect to the Preston Springs Property the  
8 position put forth by Mr. Dancy is that there are  
9 alternatives available. Mr. Dancy's Affidavit  
10 references a commitment from Pacific Financial  
11 Group and a commitment of up to \$650, 000. Mr.  
12 Apps indicated that other arrangements could be  
13 put in place to satisfy obligations owing to the  
14 second mortgagee and there were some suggestion  
15 that there had been some discussion with the  
16 second mortgagee, but the fact remains that  
17 counsel to the second mortgagee supports the sale.  
18

19 Further, there are also some practical  
20 difficulties with the proposal put forth by Mr.  
21 Apps with respect to Preston Springs as it would  
22 require that property to be extracted from the

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1 receivership proceedings. The receivership  
2 proceedings involve a number of properties and  
3 although there may very well be a transaction that  
4 could produce a higher monetary result than the  
5 one put forth by the receiver, I must take into  
6 account that there would be considerable risks in  
7 not approving the transaction.

8  
9 For example, there is the "drop dead" purchase  
10 date and also an indication that it does not  
11 appear that the conditions in the PNC financing  
12 commitments with respect to free and clear title  
13 or insurance, among other things, could be  
14 fulfilled. This has to be contrasted with the  
15 high degree of certainty that the transaction as  
16 recommended by the Receiver will proceed and  
17 produce the expected results to the secured  
18 creditors on this property.

19  
20 On balance, I am satisfied that the Receiver has  
21 conducted a proper sales prospect with respect to  
22 all the properties involved and has considered the



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1 interests of all parties. I am also satisfied  
2 that the process has been fairly worked out. I  
3 have not been persuaded that Mr. Dancy has  
4 demonstrated that the transactions should not be  
5 approved. It cannot be overlooked that the  
6 negotiations involved with respect to these  
7 properties have been ongoing for a considerable  
8 period of time and Mr. Dancy and Dondeb elected to  
9 wait until "one minute before midnight" before  
10 objecting to the transactions involved.

11  
12 Accordingly, the three transactions are approved.

13  
14 The Receiver has also requested that the court  
15 grant an order and declaration that the relief  
16 granted is subject to provisional execution. The  
17 Receiver expresses concern that if a notice of  
18 appeal is filed, it will have the effect of  
19 rendering this order moot, as the requirement of  
20 two of the agreement is that the vesting order be  
21 obtained today and not be subject to appeal.  
22

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondeb Inc.

1 In support of the argument that the declaration  
2 should be made, the Receiver references  
3 *Computershare Trust Company of Canada and*  
4 *Beachfront Developments, Inc.*, 70 C.B.R. (5<sup>th</sup>) 284,  
5 a decision of Newbould J. Newbould J. adopted  
6 what appears to be a variation of the test for  
7 injunctive relief that is set out in *RJR*  
8 *MacDonald, Inc. v. Canada (Attorney General)*  
9 *(1994) 1 S.C.R. 311.*

10  
11 The three part test being that,

- 12  
13 1) A serious issue has been identified,  
14 2) Irreparable harm,  
15 3) Balance of convenience.  
16

17 This test has been adopted in cases not unlike the  
18 one before me. In *BDC Venture Capital, Inc. v.*  
19 *Natural Convergence Inc.* 2009 ONCA 637. Lang J.A.  
20 referenced *After Eight Interiors Inc. v. Glenwood*  
21 *Homes, Inc.* (2006) 391 AR 202. Lang J.A. stated  
22 that the criteria included whether there was a

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondob Inc.

1           serious issue to be appealed, whether the moving  
2           party would suffer irreparable harm if the stay  
3           was not lifted, and whether the moving party would  
4           suffer greater harm than the responding party if  
5           the stay was not lifted.

6  
7           In the *After Eight* decision, Fruman J.A. stated  
8           that courts generally in applications under  
9           section 195 of the BIA focus on the relative  
10          prejudice to the parties and the interests of  
11          justice generally. In my view it is appropriate  
12          to consider this test, in these circumstances, to  
13          be a variation of the RJR test.

14  
15          As Newbould J. indicated in the *Computershare*  
16          decision, (and I agree) I would not presume to  
17          consider whether an appeal in this case on my  
18          decision is or is not without serious merit. If  
19          that is a factor to be considered, I will assume  
20          there is some merit to the appeal. Focusing on  
21          the issue of irreparable harm in this case, the  
22          Receiver has put forth the argument that the

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondeb Inc.

1 transactions may not be consummated if there is a  
2 delay caused by an appeal. This would obviously  
3 cause harm to the mortgagees in question. Whether  
4 it is irreparable is another question.  
5 Irreparable in the context of an injunction  
6 usually that means that it cannot be calculated in  
7 damages.

8  
9 It is at this point that it is necessary to  
10 consider the relative prejudice to the parties.  
11 The Dondeb proceedings were commenced by way of an  
12 application for CCAA relief. This requires that  
13 the applicant Dondeb be insolvent. In these  
14 circumstances, it is questionable as to whether or  
15 not a damage award could be paid or honoured by  
16 Dondeb and one has to consider the position of the  
17 mortgagees in question for whose benefit the  
18 receivership order was granted.

19  
20 In these circumstances it appears to me that that  
21 there would be serious and irreparable harm to the  
22 mortgagees in question if the transactions could

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondeb Inc.

1 not be consummated and as a result, there is  
2 substantial risk that the Receiver would then have  
3 to remarket the properties.  
4

5 The balance of convenience aspect also favours, in  
6 my view, the secured creditors. Again, I have to  
7 emphasize the lateness with which these objections  
8 were raised by Dondeb. It is clear from the  
9 record that the negotiations resulting in the  
10 agreements being put forth for approval today were  
11 entered into some time ago. There is also some  
12 evidence that Mr. Dancy's son has been actively  
13 involved and following along in the marketing  
14 process and has some knowledge of matters.  
15

16 In these circumstances I find that the balance of  
17 convenience favours the position of the secured  
18 creditors and I do give effect to the submission  
19 of Mr. Rabinovitch that the entire declaration  
20 could be moot if it is not subject to provisional  
21 execution, which is therefore granted. Subject to  
22 any questions counsel, that concludes my reasons.

Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of  
the Courts of Justice Act with respect to Dondob Inc.

1

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Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondeb Inc.

FORM 2

CERTIFICATE OF TRANSCRIPT (SUBSECTION 5 (2))

*Evidence Act*

I, Santiago Orbe, certify that this document is a true and accurate transcript of the recording of *Application Pursuant to Section 243(1) of the Bankruptcy and Insolvency Act and Section 101 of the Courts of Justice Act with respect to Dondeb Inc.* in the Superior Court of Justice of Ontario held at 330 University Avenue, Toronto, Ontario, taken from recording No. 4899\_8-1\_20130115\_161934-10, which has been certified in Form 1.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Authorized Person)

Photo static copies of this transcript are not certified and have not been paid for unless they bear the signature of SANTIAGO ORBE in blue ink, and accordingly are in direct violation of Ontario Regulation 587/91, Courts of Justice Act, January 1, 1990.

# APPENDIX F



ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. )

WEDNESDAY, THE 13<sup>th</sup>

JUSTICE MORAWETZ )

DAY OF FEBRUARY, 2013

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

ORDER

THIS MOTION made by A. Farber & Partners Inc. in its capacity as court-appointed receiver (the "Receiver") of the debtors referred to at Schedule "A" attached hereto (collectively, the "Debtors"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion dated February 6, 2013, the second report to the Court of the Receiver dated January 8, 2013, the first supplement to the second report dated January 11, 2012 and the second supplement to the second report dated January 15, 2013 (collectively, the "Second Report") and the third report to the Court of the Receiver dated February 6, 2013 (the "Third Report") and upon hearing the submissions of the counsel for the Receiver, Canada Revenue Agency ("CRA") and Virgin Venture Capital Corporation, 1538456 Ontario Limited and Quincy Investments Limited (collectively "Virgin"), no other party attending, although duly served, as appears from the Affidavit of Service of Kate Stigler sworn February 7, 2013 and the Affidavit of Service of Stephanie Waugh sworn February 7, 2013, filed,

*[Handwritten signature]*  
the Empire Life  
Insurance Company  
the Debtors and *[Handwritten signature]*

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Second Report and the Third Report, and the activities of the Receiver set out therein, be and is hereby approved.
3. **THIS COURT ORDERS** that as set out in the Third Report, the Receiver is hereby authorized to make the following distributions from the funds held by the Receiver in the respective accounts maintained for the Tim Horton's Property, the Dorset Place Property and the Preston Springs Property (as such terms are defined below):

Tim Horton's Property

- (a) \$108,565.68 to CRA, in partial satisfaction of all deemed trust amounts owed to the CRA by Dondeb Inc. ("**Dondeb**") under the *Income Tax Act*, without prejudice to the Receiver reallocating such amount to other Dondeb assets in accordance with a further Court order (the "**First CRA Distribution**");
- (b) \$487,320.35 to Sun Life Assurance Company of Canada (formerly Clarica Life Insurance Company) ("**Sun Life**"), or such lower amount as Sun Life and the Receiver may agree, in full and final satisfaction, but for certain prepayment obligations, of the charge/mortgage granted by Dondeb in favour of Sun Life, in the original principal sum of \$800,000.00, registered on March 23, 2001 as Instrument No. RO1453616 against the property municipally known as 525 Memorial Avenue in Orillia, Ontario (the "**Tim Horton's Property**");
- (c) \$1,103,715.79 to Ontario Wealth Management Corporation ("**OWMC**"), or such lower amount as OWMC and the Receiver may agree, in full and final satisfaction of the charge/mortgage granted by Dondeb and 1182689 Ontario Inc. in favour of OWMC, in the original principal sum of

\$1,000,000.00, registered on December 23, 2008 as Instrument No. SC709026 against the Tim Horton's Property;

Dorset Place Property

- (d) \$108,565.68 to CRA, which combined with the First CRA Distribution is in full and final satisfaction of all deemed trust amounts owed to the CRA by Dondeb under the *Income Tax Act*, without prejudice to the Receiver reallocating such amount to other Dondeb assets in accordance with a further Court order;
- (e) \$3,175,564.81 to The Empire Life Insurance Company ("**Empire**"), or such lower amount as Empire and the Receiver may agree, in full and final satisfaction, but for certain prepayment obligations, of the charge/mortgage granted by Dondeb in favour of Empire, in the original principal sum of \$3,600,000.00 registered on February 22, 2006 as Instrument No. YR780527 against the property municipally known as 90 Gurnett Street in Aurora, Ontario (the "**Dorset Place Property**");
- (f) \$3,035,020.26 to Virgin, or such lower amount as Virgin and the Receiver may agree, in full and final satisfaction of the charge/mortgage granted by 2338067 Ontario Inc. in favour of Virgin Venture Capital Corporation and 1538456 Ontario Limited (later transferred to Virgin Venture Capital Corporation, 1538456 Ontario Limited and Quincy Investments Limited), in the original principal sum of \$2,737,042.00, registered on August 10, 2012 as Instrument No. YR1868575 against the Dorset Place Property;

Preston Springs Property

- (g) \$376,296.20 to First Source Mortgage Corporation ("**First Source**"), or such lower amount as First Source and the Receiver may agree, in full and final satisfaction of the charge/mortgage granted by Guelph Financial Corporation ("**GFC**") in favour of First Source, in the original principal sum of \$300,000.00, registered on July 8, 2011 as Instrument No.

WR625472 against the property municipally known as 102-110 Fountain Street North in Cambridge, Ontario (the "**Preston Springs Property**"); and

- (h) \$500,000.00 to OWMC in partial satisfaction of the collateral charge/mortgage granted by the GFC in favour of OWMC in the original principal sum of \$2,100,000.00, registered on June 15, 2012 as Instrument No. WR695295 against the Preston Springs Property, (a) \$365,000 to be applied by OWMC to the amount owing by Dondeb under the commitment letter dated December 21, 2006, entered into among Dondeb, ProSpan Steel, Inc., 1134927 Ontario Inc. O/A Aimcon Recreation and Melvyn Dancy, as borrowers, and OWMC as lender, in respect of the property municipally known as 205 Vodden Street East, Brampton, and (b) \$135,000 to be applied by OWMC to the amount owing by King City Holdings Ltd. under the commitment letter dated August 12, 2008, as amended, between King City Holdings Ltd. as borrower, and OWMC as lender, in respect of the property described as the Pepper/Palmer Property in the Third Report, without prejudice to a later reallocation of such amount to other indebtedness owed by the Debtors to OWMC.

4. **THIS COURT ORDERS AND DECLARES** that the distributions contemplated above, in respect of the Tim Horton's Property, are without prejudice to the rights of subrogation, if any, of both (i) The Bank of Nova Scotia Trust Company, Trustee, as to a \$900,000.00 share in trust for RDB (Toronto) Holdings Inc., as to \$150,000.00, Susan Michaels Holdings Limited, as to \$150,000.00, Comfort Capital Inc., as to \$100,000.00, JLJR Investments Limited, as to \$100,000.00, 1522648 Ontario Inc., as to \$50,000.00, Berend Koopmans, as to \$50,000.00, Michael Swartz, as to \$50,000.00, and Audrey Michaels, as to \$50,000.00 (collectively, "**BNS**"), and (ii) First Source Mortgage Corporation and Mark Cosman, as Trustee in trust for Gucciardi Holdings Inc., as to an undivided 14% interest, Eleanor Cosman, as to an undivided 1.5% interest and Michael Buffa, as to an undivided 1.5% interest (collectively, "**Cosman**"), additional mortgagees on the Tim Horton's Property, in (a) the charges/mortgages in favour of OWMC over the property of Dondeb municipally known as 480 West St. South in Orillia (the Remo's

Property) and the property of 1182689 Ontario Inc. municipally known as 547 Laclie St. in Orillia (the Orillia Prep Property) and (b) the rights of the CRA over Dondeb's assets, to the extent of their respective mortgages on the Tim Horton's Property.

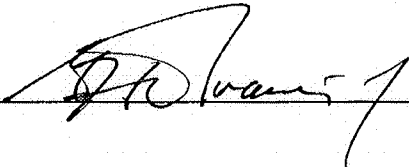
5. **THIS COURT ORDERS AND DECLARES** that the distributions contemplated above, in respect of the Dorset Place Property, are without prejudice to the rights of subrogation, if any, of Cosman, an additional mortgagee on the Dorset Place Property, in the rights of the CRA over Dondeb's assets, to the extent of its mortgage on the Dorset Place Property.

6. **THIS COURT ORDERS AND DECLARES** that nothing in this order prevents a person from challenging the amount and allocation of the holdbacks and reserves being retained by the Receiver at a future date.

7. **THIS COURT ORDERS AND DECLARES** that final distributions to Sun Life and Empire in respect of prepayment obligations owing to them pursuant to their respective loan and charge documentation are subject to further Court order.

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

FEB 13 2013



A handwritten signature in black ink, appearing to read "J. H. Williams", is written over a horizontal line.

**SCHEDULE "A"**

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.

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

**ONTARIO**

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

PROCEEDING COMMENCED AT TORONTO

**ORDER**

FRASER MILNER CASGRAIN LLP

77 King Street West

Suite 400

Toronto Ontario

M5K 0A1

Lawyer:

Neil S. Rabinovitch /

Jane O. Dietrich / Kate H. Stigler

LSUC:

33442F / 49302U / 53858S

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jane.dietrich@fmc-law.com

kate.stigler@fmc-law.com

Telephone:

416 863-4656 / 416 863-4467 /

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Facsimile:

416 863-4592

# APPENDIX G



ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. ) MONDAY, THE 24<sup>TH</sup>  
 )  
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

ORDER

THIS MOTION made by A. Farber & Partners Inc. in its capacity as court-appointed receiver (the "**Receiver**") of the debtors referred to at Schedule "A" attached hereto (collectively, the "**Debtors**") for an order *inter alia*: (i) declaring that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that the motion is properly returnable; (ii) approving the eleventh report to Court of the Receiver dated March 17, 2014 (the "**Eleventh Report**") and the activities of the Receiver set out therein; (iii) authorizing the Receiver to consolidate the Segregated Accounts (as defined in paragraph 3 of the Order of Justice Campbell made on October 17, 2012 (the "**Receivership Order**")) for any Property (as defined in the Receivership Order) for which the secured creditors with a mortgage registered over such Property have been paid in full into one account for the corporation in which such Property was held including at at this time, the consolidation of the following Segregated Accounts into a general

account for Dondeb Inc. ("**Dondeb**"): Ontario Street, Coldwater, Devonshire Place, 240 Yeoman Street, Brechin and Dorset Place (the "**Dondeb General Account**"); (iv) authorizing the Receiver to transfer the amount of \$108,565.68 from the Dondeb General Account to the Tim Hortons / Wendy's Property Segregated Account to reimburse the Tim Hortons / Wendy's Property in respect of amounts owing by Dondeb, and subject to deemed trust provisions, to Canada Revenue Agency (the "**CRA**") which were paid to the CRA pursuant to the Order of Justice Morawetz made on February 13, 2013; (v) authorizing the Receiver to distribute the amount of \$180,000 to Faithlife Financial (previously The Lutheran Life Insurance Society of Canada) ("**Faithlife**") in partial satisfaction of the charge/mortgage granted by 2009031 Ontario Inc. ("**2009031**") in favour of Faithlife (the "**Faithlife Charge**") in the original principal sum of \$2,450,000.00 registered on November 28, 2007 as Instrument No. SC606133 against the property municipally known as 127 Peter Street North in Orillia, Ontario (the "**Tudhope Manor Property**") from the funds held by the Receiver in the account maintained for the Tudhope Manor Property; (vi) authorizing the Receiver to distribute \$180,000 to CRA in partial satisfaction of amounts deemed to be held in trust by 1182689 Ontario Inc. ("**118**") in favour of CRA pursuant to subsection 227(4) of the Income Tax Act (Canada), subsection 23(3) of the Canada Pension Plan, subsection 57(2) of the Unemployment Insurance Act (Canada), subsection 86(2) of the employment Insurance Act (Canada) and the Excise Tax Act from the proceeds of sale of the business and property municipally known as 547 Laclie Street, Orillia Ontario (the "**Orillia Prep School Property**") formerly owned by 118; (vii) authorizing the Receiver to distribute \$160,000 to Empire Life Insurance Company ("**Empire**") in partial satisfaction of the charge/mortgage granted by Dondeb in favour of Empire (the "**Empire Charge**"), in the original principal sum of \$625,000.00 registered on March 16, 2006 as Instrument No. DR483226, against the business and property municipally known as 301 Byron Street South in Whitby, Ontario (the "**Hatch House Montessori School Property**") the following amount from the proceeds of sale of the Hatch House Montessori School Property previously owned by 118; (viii) authorizing the Receiver to distribute from the proceeds of sale in respect of the property municipally known as 525 Memorial Avenue, Orillia, Ontario, formerly owned by Dondeb (the "**Tim Hortons / Wendy's Property**") the amount of \$12,500.00

to Sun Life Assurance Company of Canada (formerly Clarica Life Insurance Company) ("**Sun Life**") in full and final satisfaction of all amounts, including without limitation, certain prepayment obligations, secured by the charge/mortgage granted by Dondeb in favour of Sun Life (the "**Sun Life Charge**"), in the original principal sum of \$800,000 registered on March 23, 2001 as Instrument No. RO1453616 against the Tim Hortons / Wendy's Property; (viii) authorizing the Receiver to distribution from the proceeds of sale in respect of the Tim Hortons/Wendy's Property the amount of \$100,000 to The Bank of Nova Scotia, Trustee ("**BNS**") in full and final satisfaction of all amounts secured by a charge/mortgage granted by 2339506 Ontario Inc. in favour of BNS in the original principal sum of \$1,600,000 registered on August 23, 2012 as Instrument No. SC1006304 against the Tim Hortons / Wendy's Property (the "**BNS Charge**"); (ix) declaring that the distributions contemplated by the order be without prejudice to any rights of subrogation, marshaling, apportionment or assessment that any subordinate creditors may have; and (x) declaring that nothing in the Order prevents a person from challenging the amount and allocation of the holdbacks and reserves being retained by the Receiver at a future date; was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion dated March 17, 2014 and the Eleventh Report, and upon hearing the submissions of the counsel for the Receiver, no other party appearing, although duly served, as appears from the Affidavits of Service of Monique Sassi sworn March 17 and 18, 2014, filed,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Eleventh Report and the activities of the Receiver set out therein, be and are hereby approved.
3. **THIS COURT ORDERS** that the Receiver is authorized to consolidate the Segregated Accounts for any Property for which the secured creditors with a mortgage registered over such Property have been paid in full into one account for the corporation

in which such Property was held. Specifically, the Receiver is authorized to consolidate the Segregated Accounts for the following Properties into a new Dondeb General Account: Ontario Street, Coldwater, Devonshire Place, 240 Yeoman Street, Brechin and Dorset Place.

4. **THIS COURT ORDERS** that the Receiver is authorized to transfer the amount of \$108,565.68 from the Dondeb General Account to the Tim Hortons / Wendy's Property Segregated Account to reimburse the Tim Hortons / Wendy's Property in respect of amounts owing by Dondeb, and subject to deemed trust provisions, to CRA which were paid to the CRA pursuant to the Order of Justice Morawetz made on February 13, 2013.

5. **THIS COURT ORDERS** that the Receiver is authorized to distribute the amount of \$180,000 to Faithlife in partial satisfaction of the Faithlife Charge from the funds held by the Receiver in the account maintained for the Tudhope Manor Property.

6. **THIS COURT ORDERS** that the Receiver is authorized to distribute the amount of \$180,000 to CRA in partial satisfaction of amounts deemed to be held in trust by 118 in favour of CRA pursuant to subsection 227(4) of the Income Tax Act (Canada), subsection 23(3) of the Canada Pension Plan, subsection 57(2) of the Unemployment Insurance Act (Canada), subsection 86(2) of the employment Insurance Act (Canada) and the Excise Tax Act from the proceeds of sale of the Orillia Prep School Property.

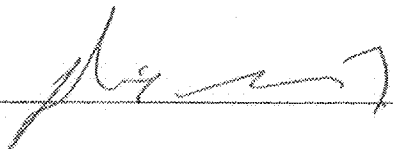
7. **THIS COURT ORDERS** that the Receiver is authorized to distribute the amount of \$160,000 to Empire in partial satisfaction of the Empire Charge from the funds held by the Receiver in the account maintained for the Hatch House Montessori School Property.

8. **THIS COURT ORDERS** that the Receiver is authorized to distribute the amount of \$12,500 to Sun Life in full and final satisfaction of all amounts, including without limitation, certain prepayment obligations, secured by the Sun Life Charge from the funds held by the Receiver in the account maintained for the Tim Hortons / Wendy's Property.

9. **THIS COURT ORDERS** that the Receiver is authorized to distribute the amount of \$100,000 to BNS in full and final satisfaction of all amounts secured by the BNS Charge over the Tim Hortons / Wendy's Property.

10. **THIS COURT ORDERS AND DECLARES** that the distributions contemplated by this Order be without prejudice to any rights of subrogation, marshaling, apportionment or assessment that any subordinate creditors may have.

11. **THIS COURT ORDERS** that nothing in this Order prevents a person from challenging the amount and allocation of the holdbacks and reserves being retained by the Receiver at a future date.

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

MAR 24 2016

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**SCHEDULE "A"**

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.

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

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

PROCEEDING COMMENCED AT TORONTO  
**ORDER**  
**(March 24, 2014)**

DENTONS CANADA LLP  
77 King Street West, Suite 400,  
Toronto Ontario, M5K 0A1

CASSELS BROOK & BLACKWELL LLP  
2100 Scotia Plaza, 40 King Street West,  
Toronto Ontario M5H 3C2

Lawyer: Neil S. Rabinovitch / Jane O. Dietrich  
LSUC: 33442F / 49302U  
E-mail: neil.rabinovitch@dentons.com /  
jdietrich@casselsbrook.com

Tele: 416 863-4656 / 416 860-5223  
Fax: 416 863-4592 / 416 640-3144  
LAWYERS FOR THE RECEIVER

# APPENDIX H



ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. ) MONDAY, THE 24<sup>TH</sup>  
 )  
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  
(ProSpan / Rockin Boats)

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 JessEm Products Limited (the "**Purchaser**") made as of November 27, 2013 and amended by agreements dated December 30, 2014 and February 7, 2014 (collectively, 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 Real 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 Real 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 Real 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 Real Property are hereby expunged and discharged as against the Real 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 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 Real Property shall stand in the place and stead of the Real 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 Real Property with the same priority as they had with respect to the Real Property immediately prior to the sale, as if the Real 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 Real 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;

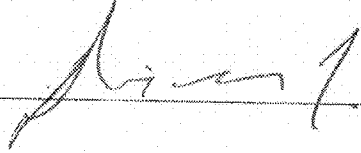
the vesting of the Real Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Dondeb and shall not be void or voidable by creditors of Dondeb, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, 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 "1" 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.



A handwritten signature in black ink, appearing to be "J. Smith", is written over a horizontal line.

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

MAR 24 2014

NB

**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  
(ProSpan / Rockin Boats)**

**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 JessEm Products Limited (the “**Purchaser**”) made as of November 27, 2013 and amended by agreements dated December 30, 2014 and February 7, 2014 (collectively, the “**Sale Agreement**”), and provided for the vesting in the Purchaser of Dondeb’s right, title and interest, if any, in and to the Real Property (as defined in the Sale Agreement), which vesting is to be effective with respect to the Real 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 Real 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 Real 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 58566-0263 (LT): LOT 22 RCP 1719 SOUTH ORILLIA; ORO - MEDONTE

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

1. Notice of lease granted by Dondeb Inc. ("**Dondeb**") in favour of 1134927 Ontario Inc., registered on October 31, 2005 as Instrument No. SC381923;
2. Charge/mortgage granted by Dondeb in favour of The Canada Trust Company ("**CTC**"), in the principal amount of \$712,000.00, registered on November 1, 2005 as Instrument No. SC382515;
3. Notice of assignments of rent granted by Dondeb in favour of CTC, registered on November 1, 2005 as Instrument No. SC382516;
4. Notice of security interest of Ontario Wealth Management Corporation, in the principal amount of \$2.00, registered on January 17, 2007 as Instrument No. SC514067;
5. Charge/mortgage granted by Dondeb in favour of First Source Mortgage Corporation ("**First Source**"), in the principal amount of \$300,000.00, registered on July 8, 2011 as Instrument No. SC914464;
6. Notice of assignment of rents granted by Dondeb in favour of First Source, registered on July 8, 2011 as Instrument No. SC914465;
7. Application for Court Order granted by the Ontario Superior Court of Justice in favour of A. Farber & Partners Inc. registered on October 29, 2012 as Instrument No. SC1020873; and
8. Certificate of tax arrears of The Corporation of the Township of Oro-Medonte, in the principal amount of \$74,333.00, registered on December 31, 2012 as Instrument No. SC1033322.

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

**(unaffected by the Vesting Order)**

NIL

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

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

PROCEEDING COMMENCED AT TORONTO

**APPROVAL AND VESTING ORDER  
(ProSpan / Rockin Boats)**

DENTONS CANADA LLP  
77 King Street West  
Suite 400  
Toronto Ontario  
M5K 0A1

Lawyer: Neil S. Rabinovitch  
LSUC: 33442F  
E-mail: neil.rabinovitch@dentons.com  
Telephone/Facsimile: 416 863-4656 / 416 863-4592

CASSELS BROCK & BLACKWELL LLP  
Suite 2100, Scotia Plaza  
40 King Street West  
Toronto, ON  
M5H 3C2

Lawyer: Jane O. Dietrich  
LSUC: 49302U  
E-mail: jdietrich@caselsbrock.com  
Telephone/Facsimile: 416 860-5223 / 416 640-3144

LAWYERS FOR the Receiver

# APPENDIX I

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. ) MONDAY, THE 24<sup>TH</sup>  
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;

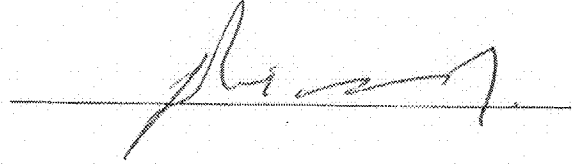
the vesting of the Purchased Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Dondeb and shall not be void or voidable by creditors of Dondeb, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, 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.

A handwritten signature in black ink, appearing to be "J. Smith", is written over a horizontal line.

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

MAR 2 4 2014

Handwritten initials in black ink, possibly "MS", located below the date.

## 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.

**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. C.43, AS AMENDED WITH RESPECT TO DONDEB 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 Ristoranti)**

DENTONS CANADA LLP  
77 King Street West  
Suite 400  
Toronto Ontario  
M5K 0A1

Lawyer: Neil S. Rabinovitch  
LSUC: 33442F  
E-mail: neil.rabinovitch@dentons.com  
Telephone/Facsimile: 416 863-4656 / 416 863-4592

CASSELS BROCK & BLACKWELL LLP  
Suite 2100, Scotia Plaza  
40 King Street West  
Toronto, ON  
M5H 3C2

Lawyer: Jane O. Dietrich  
LSUC: 49302U  
E-mail: jdietrich@caselsbrock.com  
Telephone/Facsimile: 416 860-5223 / 416 640-3144

LAWYERS FOR the Receiver

# APPENDIX J

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. ) MONDAY, THE 24<sup>TH</sup>  
 )  
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  
(Scotia Road)

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 1281515 Ontario Inc. ("128"), 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 Jennifer E. Rankel (the "Purchaser"), dated 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 128, if any, in and to the Real 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 Real 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 128's right, title and interest in and to the Real 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 Real Property are hereby expunged and discharged as against the Real 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 Real Property shall stand in the place and stead of the Real 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 Real Property with the same priority as they had with respect to the Real Property immediately prior to the sale, as if the Real 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 128's records related to the Real 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 128.

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 128 and any bankruptcy order issued pursuant to any such applications; and
  - (c) any assignment in bankruptcy made in respect of 128;

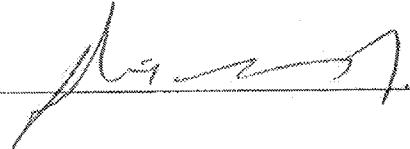
the vesting of the Real Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of 128 and shall not be void or voidable by creditors of 128, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent 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 "5" 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.



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

MAR 24 2014

NB





**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  
(Scotia Road)**

**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 1281515 Ontario Inc. (“**128**”), 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 the agreement of purchase and sale made as of February 19, 2014, (the “**Sale Agreement**”) between the Receiver and Jennifer E. Rankel (the “**Purchaser**”), and provided for the vesting in the Purchaser of 128’s right, title and interest, if any, in and to the Real Property (as defined in the Sale Agreement), which vesting is to be effective with respect to the Real 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 Real 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 Real 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 1281515 Ontario Inc., and not in its personal capacity**

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

Name:

Title:

**Schedule C – Real Property**

PIN 52163-0366(LT)

Part of Lot 16, Concession 9, Perry, designated as Part 1 on Reference Plan 42R-15544,  
Township of Perry, T/W RO214965.

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

1. Instrument No. GB67149 registered on September 11, 2013, being a Certificate of Tax Arrears in the original principal amount of \$1,445.87 by the Corporation of the Township of Perry.



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

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

PROCEEDING COMMENCED AT TORONTO

**APPROVAL AND VESTING ORDER  
(Scotia Road)**

DENTONS CANADA LLP  
77 King Street West  
Suite 400  
Toronto Ontario  
M5K 0A1

Lawyer: Neil S. Rabinovitch  
LSUC: 33442F  
E-mail: neil.rabinovitch@dentons.com  
Telephone/Facsimile: 416 863-4656 / 416 863-4592

CASSELS BROCK & BLACKWELL LLP  
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40 King Street West  
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Lawyer: Jane O. Dietrich  
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E-mail: jdietrich@casselsbrock.com  
Telephone/Facsimile: 416 860-5223 / 416 640-3144

LAWYERS FOR the Receiver

# APPENDIX K

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. ) MONDAY, THE 24<sup>TH</sup>  
 )  
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  
(Barrie Business Centre)

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 MarQuee Davidson Corp. (the "**Purchaser**") as assignee of L. Harry Goldman Inc., in trust for a corporation to be incorporated, dated January 6, 2014, as amended by waiver and amendment agreements dated February 4, 2014, February 14, 2014, February 19, 2014, February 25, 2014 and March 13, 2014 (collectively, 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 and First Source Mortgage Corporation, 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 the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

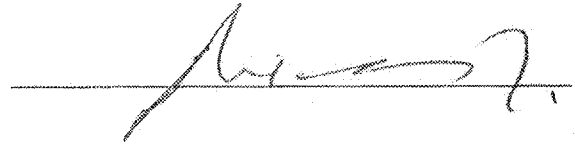
the vesting of the Purchased Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, 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 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 "6" and 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.

A handwritten signature in black ink, appearing to be "A. ...", written over a horizontal line.

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

MAR 26 2016

NS

**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  
(Barrie Business Centre)**

**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 the agreement of purchase and sale between the Receiver and MarQuee Davidson Corp. (the “**Purchaser**”) as assignee of L. Harry Goldman Inc., in trust for a corporation to be incorporated, dated January 6, 2014, as amended by waiver and amendment agreements dated February 4, 2014, February 14, 2014, February 19, 2014, February 25, 2014 and March 13, 2014 (collectively, 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].

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

1. Charge/Mortgage granted by Dondob in favour of First Source Mortgage Corporation and Mark Cosman, in the original principal sum of \$7,100,000.00, registered on September 1, 2011 as Instrument No. SC928251.
2. Notice of Assignment of Rents granted by Dondob in favour of First Source Mortgage Corporation and Mark Cosman, registered on September 1, 2011 as Instrument No. SC928286.
3. Charge/Mortgage granted by Dondob in favour of 1160145 Ontario Inc., in the original principal sum of \$53,773.00, registered on July 12, 2012 as Instrument No. SC995688.
4. Application for Court Order granted by the Ontario Superior Court of Justice in favour of A. Farber & Partners Inc. registered on October 29, 2012 as Instrument No. SC1020873.

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

**(unaffected by the Vesting Order)**

1. Instrument number RO183788 registered on May 6, 1964 being a By-law.
2. Instrument number SC654192 registered on June 12, 2008 being a Notice of Agreement between Dondeb Inc. and The Corporation of the City of Barrie.
3. Instrument No. SC584058 registered on September 18, 2007, being a Notice of Lease between Newman's Valve Limited and Dondeb Inc.

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

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

PROCEEDING COMMENCED AT TORONTO

**APPROVAL AND VESTING ORDER**  
**(Barrie Business Centre)**

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LAWYERS FOR the Receiver