

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

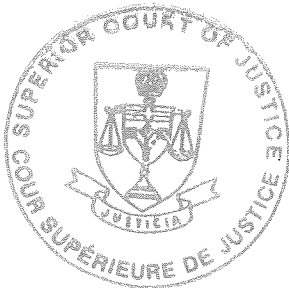
THE HONOURABLE MR.) TUESDAY, THE 3RD DAY
)
JUSTICE NEWBOULD) OF MARCH, 2015

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -



PEMBROKE RESIDENCE LTD.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by A. Farber & Partners Inc., in its capacities as the Court-appointed receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Pembroke Residence Ltd. (the “**Debtor**”) for an order, *inter alia*, authorizing the Receiver to complete the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Kevin Sit Investments Inc. (the “**Purchaser**”), as purchaser, dated December 3, 2014 (the “**Sale Agreement**”), a copy of which is attached as Appendix “D” to the Third Report of the Receiver dated February 19, 2015 (the “**Third Report**”), and vesting in the Purchaser, or as it may direct,

all of the Debtor's right, title and interest in and to the property described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Paula Hoosain sworn February 19, 2015, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser, or as it may direct.
2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, or as it may direct, 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 Mr. Justice Newbould dated October 17, 2014; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal

property registry system; and (iii) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “D”**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division 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, or as it may direct, as the owner of the subject real property identified in **Schedule “B”** hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule “C”** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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 the Debtor's records pertaining to the Debtor's 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 the Debtor.


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

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

the vesting of the Purchased Assets in the Purchaser, or as it may direct, pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



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



MAR - 3 2015

Schedule "A" – Form of Receiver's Certificate

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

(A) Pursuant to an Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 17, 2014, A. Farber & Partners Inc. ("**Farber**") was appointed as receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Pembroke Residence Ltd. (the "**Debtor**").

(B) Pursuant to Orders of the Court dated January 8, 2015 and March 3, 2015, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and Kevin Sit Investments Inc. (the "**Purchaser**"), as purchaser, dated December 3, 2014 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser, or as it may direct, of all of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale

Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in 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 Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

A. FARBER & PARTNERS INC., solely in its capacities as the Court-appointed receiver and manager of all of the assets, undertakings and properties of Pembroke Residence Ltd.

Per: _____

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF PROPERTY

	PIN	Legal Description
1.	21100-0139(LT)	Lot 46, Plan 150 (Toronto); Pt Lot 45, Plan 150 (Toronto) as in CA270989; T/W & S/T CA270989; City of Toronto

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM TITLE TO PROPERTY

1. Instrument No. CA270989 being a Transfer under power of sale in favour of Pembroke Residence Ltd. dated April 5, 1994.
2. Instrument No. AT2564950 being a Notice of Change of Address re Ontario Wealth Management Corporation registered November 30, 2010.
3. Instrument No. AT2605347, being a Charge in favour of 1280584 Ontario Inc. registered January 25, 2011.
4. Instrument No. AT3193489, being a Charge in favour of Hands-On Capital Investments Inc. registered December 7, 2012.
5. Instrument No. AT3264628, being a Charge in favour of Kevin Sit Investments Inc. registered March 27, 2013.
6. Instrument No. AT3264647, being a Notice of Assignment of Rents (General) in favour of Kevin Sit Investments Inc. registered March 27, 2013.
7. Instrument No. AT3264648, being a Notice in favour of Hands-On Capital Investments Inc. registered March 27, 2013.
8. Instrument No. AT3266117, being a Postponement by 1280584 Ontario Inc. in favour of Hands-On Capital Investments Inc. registered March 28, 2013.
9. Instrument No. AT3266118, being a Postponement by 1280584 Ontario Inc. in favour of Kevin Sit Investments Inc. registered March 28, 2013.
10. Instrument No. AT3318304, being a Charge in favour of Hands-On Capital Investments Inc. registered June 6, 2013.
11. Instrument No. AT3650276, being a Notice of Security Interest in favour of Indcom Leasing Inc. registered July 31, 2014.
12. Instrument No. AT3719108, being a Notice of an equitable mortgage in favour of Bahia Mar Capital Ventures Inc., registered October 22, 2014.

SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

1. Plan 63BA821 being a Boundaries Act Plan filed May 3, 1976.

HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

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Respondent

Court File No. CV-14-10614-00CL

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SUPERIOR COURT OF JUSTICE
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Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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Lawyers for A. Farber & Partners Inc., in its capacity as the Court-appointed receiver and manager of Pembroke Residences Ltd.