

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

**IN THE MATTER OF SECTION 47(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 C. C.43, AS AMENDED**

THE HONOURABLE

) THURSDAY, THE 31<sup>ST</sup>

) JUSTICE HAINKEY

) DAY OF AUGUST, 2017

)  
)  
)  
BETWEEN:

**ROMSPEN INVESTMENT CORPORATION**

Applicant

- and -

**HORSESHOE VALLEY LANDS LTD.  
and HORSESHOE RIDGE HOMES INC.**

Respondents

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by Rosen Goldberg Inc. in its capacity as Court-appointed receiver and manager (the "Receiver") of the assets, undertakings and properties of Horseshoe Valley Lands Ltd. ("HVL") and Horseshoe Ridge Homes Inc. ("HRH") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Sertson Contracting Ltd. (the "Purchaser") dated July 20, 2017 and appended as a confidential appendix to the Fourth Report of the Receiver dated August 22, 2017 (the "Report"), vesting in the Purchaser, HVL's right, title and interest in and to certain townhouse lots located on the south side of Horseshoe Valley Road, Oro-Medonte,

Ontario, as described more particularly in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, ~~counsel for the Applicant and counsel for Jim Cooper,~~ <sup>not opposing</sup> no one appearing for any other person on the service list, although properly served as appears from the affidavit of Jennifer Samuels sworn August 24, 2017, filed,



1. THIS COURT ORDERS AND DECLARES that the time for service of the Notice of Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the HVL's right, title and interest in and to the Purchased Assets described in the Sale Agreement and Schedule "B" hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all pre-construction agreements of purchase and sale entered into by HRH to build and sell freehold townhomes thereon, 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 Newbould dated November 29, 2016 and the Order of the Honourable Justice Wilton-Siegel dated December 22, 2016; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; 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.

4. THIS COURT ORDERS that upon the registration in the Land Titles Division for the Land Registry Office of Simcoe (No. 51) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule “B” hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “C” hereto.

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

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

7. THIS COURT ORDERS that, notwithstanding:

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

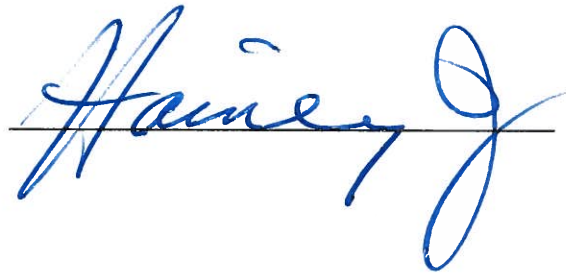
the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of HVL and shall not be void or

voidable by creditors of HVL, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

9. THIS COURT ORDERS that Confidential Appendices 1 and 2 to the Fourth Report be kept confidential and under seal until the earlier of (a) completion of the Transaction, or (b) further Order of this Court.

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

A handwritten signature in blue ink, appearing to read "Hainey", is written over a horizontal line.

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

AUG 31 2017

PER / PAR: 

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

Court File No. CV-16-11468-00CL

*ONTARIO*  
SUPERIOR COURT OF JUSTICE

**IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 C. C.43, AS AMENDED**

B E T W E E N:

**ROMSPEN INVESTMENT CORPORATION**

Applicant

-and-

**HORSESHOE VALLEY LANDS LTD.  
and HORSESHOE RIDGE HOMES LTD.**

Respondents

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (the “**Superior Court**”) dated November 29, 2016, Rosen Goldberg Inc. was appointed as the receiver and manager (the “**Receiver**”) of the undertaking, property and assets of Horseshoe Valley Lands Ltd. (“**HVL**”).

B. Pursuant to an Order of the Honourable Justice Wilton-Siegel of the Superior Court dated December 22, 2016, the Receiver’s appointment was expanded to include the undertaking, property and assets of Horseshoe Ridge Homes Ltd.

C. Pursuant to an Order of the Superior Court dated August 31, 2017, the Superior Court approved the agreement of purchase and sale made as of July 20, 2017 (the “**Sale Agreement**”)

between the Receiver and Sertson Contracting Ltd. (the “Purchaser”) and provided for the vesting in the Purchaser of HVL’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in 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.

D. 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; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ on \_\_\_\_\_, 2017.

**ROSEN GOLDBERG INC., in its capacity as  
Court-appointed Receiver of the assets,  
undertakings and properties of Horseshoe  
Valley Lands Ltd. and Horseshoe Ridge  
Hones Ltd., and not in its personal or  
corporate capacity**

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

Name: Brahm Rosen

Title: President

## Schedule "B" – Purchased Assets

### Legal Descriptions

1. Lot 48, Plan 51M-1035; together with an Easement over Parts 1, 2, 3, 4, 5, & 23, Plan 51R30671; as in LT522878; together with an Easement over Part Lot 4, Concession 4 Oro, Part 1, Plan 51R-36465 as in SC773798;  
Township of Oro-Medonte  
  
PIN 74055-0323 (LT)
2. Lot 47, Plan 51M-1035; together with an Easement over Parts 1, 2, 3, 4, 5, & 23, Plan 51R30671; as in LT522878; together with an Easement over Part Lot 4, Concession 4 Oro, Part 1, Plan 51R-36465 as in SC773798;  
Township of Oro-Medonte  
  
PIN 74055-0322 (LT)
3. Lot 46, Plan 51M-1035; together with an Easement over Parts 1, 2, 3, 4, 5, & 23, Plan 51R30671; as in LT522878; together with an Easement over Part Lot 4, Concession 4 Oro, Part 1, Plan 51R-36465 as in SC773798;  
Township of Oro-Medonte  
  
PIN 74055-0321 (LT)
4. Lot 45, Plan 51M-1035; together with an Easement over Parts 1, 2, 3, 4, 5, & 23, Plan 51R30671; as in LT522878; together with an Easement over Part Lot 4, Concession 4 Oro, Part 1, Plan 51R-36465 as in SC773798;  
Township of Oro-Medonte  
  
PIN 74055-0320 (LT)
5. Lot 13, Plan 51M-1035; together with an Easement over Parts 1, 2, 3, 4, 5, & 23, Plan 51R30671; as in LT522878; together with an Easement over Part Lot 4, Concession 4 Oro, Part 1, Plan 51R-36465 as in SC773798;  
Township of Oro-Medonte  
  
PIN 74055-0288 (LT)
6. Lot 12, Plan 51M-1035; together with an Easement over Parts 1, 2, 3, 4, 5, & 23, Plan 51R30671; as in LT522878; together with an Easement over Part Lot 4, Concession 4 Oro, Part 1, Plan 51R-36465 as in SC773798;  
Township of Oro-Medonte  
  
PIN 74055-0287 (LT)

7. Lot 11, Plan 51M-1035; together with an Easement over Parts 1, 2, 3, 4, 5, & 23, Plan 51R30671, as in LT522878; together with an Easement over Part Lot 4, Concession 4 Oro, Part 1, Plan 51R-36465 as in SC773798;  
Township of Oro-Medonte

PIN 74055-0286 (LT)

8. Lot 10, Plan 51M-1035; together with an Easement over Parts 1, 2, 3, 4, 5, & 23, Plan 51R30671, as in LT522878; together with an Easement over Part Lot 4, Concession 4 Oro, Part 1, Plan 51R-36465 as in SC773798;  
Township of Oro-Medonte

PIN 74055-0285 (LT)

9. Lot 9, Plan 51M-1035; together with an Easement over Parts 1, 2, 3, 4, 5, & 23, Plan 51R30671, as in LT522878; together with an Easement over Part Lot 4, Concession 4 Oro, Part 1, Plan 51R-36465 as in SC773798;  
Township of Oro-Medonte

PIN 74055-0284 (LT)



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

1. Instrument No. SC819690 registered 2010/05/13 Charge from Horseshoe Valley Lands Ltd. to Romspen Investment Corporation.
2. Instrument No. SC819691 registered 2010/05/13 Notice of Assignment of Rent General from Horseshoe Valley Lands Ltd. to Romspen Investment Corporation.
3. Instrument No. SC835383 registered 2010/07/06 Notice from Romspen Investment Corporation to Horseshoe Valley Lands Ltd.
4. Instrument No. SC864692 registered 2010/11/09 Notice from Romspen Investment Corporation to Horseshoe Valley Lands Ltd.
5. Instrument No. SC942146 registered 2011/11/01 Charge from Horseshoe Valley Lands Ltd. to Romspen Investment Corporation.
6. Instrument No. SC942147 registered 2011/11/01 Notice of Assignment of Rent General from Horseshoe Valley Lands Ltd. to Romspen Investment Corporation.
7. Instrument No. SC1054837 registered 2013/05/03 Charge from Horseshoe Valley Lands Ltd. to Romspen Investment Corporation.
8. Instrument No. SC1148135 registered 2014/07/29 Charge from Horseshoe Valley Lands Ltd. to Romspen Investment Corporation.
9. Instrument No. SC1161874 registered 2014/09/23 Postponement from Romspen Investment Corporation to The Corporation of The Township of Oro-Medonte.
10. Instrument No. SC1161875 registered 2014/09/23 Postponement from Romspen Investment Corporation to The Corporation of The Township of Oro-Medonte.
11. Instrument No. SC1161876 registered 2014/09/23 Postponement from Romspen Investment Corporation to The Corporation of The Township of Oro-Medonte.
12. Instrument No. SC1161877 registered 2014/09/23 Postponement from Romspen Investment Corporation to The Corporation of The Township of Oro-Medonte.
13. Instrument No. SC1282555 registered 2016/02/12 Charge from Horseshoe Valley Lands Ltd. to Romspen Investment Corporation.

**Schedule “D” – Permitted Encumbrances, Easements  
and Restrictive Covenants related to the Real Property**

1. The reservations, limitations, provisions and conditions expressed in the original grant from the Crown and all unregistered rights, interests and privileges in favour of the Crown under or pursuant to any applicable statute or regulation.
2. Any subdivision agreement, development agreement, servicing agreement, site plan agreement or any other agreement, document, regulation, subdivision control by-law or other instrument containing provisions relating to the Lands or the use, development, installation of services and utilities or the erection of buildings or other improvements in or on the Lands.
3. All easements, licenses, rights-of-way, watercourses and rights (and all reference plans with respect thereto), whether registered or unregistered, including without limitation those for access or for the installation and maintenance of public and private utilities and other services including without limitation, telephone lines) hydro-electric lines, gas mains, water mains, sewers and drainage and other including any cost sharing agreement relating thereto, or any right of re-entry predecessor in title.
4. Any restrictive covenants and building restrictions affecting the Lands.
5. Any defects of title or encroachments by or onto the Lands, whether by gardens, revealed by any survey or reference plan of the Lands, whether now in existence or not.
6. Utility agreements, and other similar agreements with authorities or private or public utilities affecting the Lands.
7. Liens for taxes, local improvements, assessments or governmental charges or levies not at the time due or delinquent.
8. Undetermined, inchoate or statutory liens and charges (including, without limitation, the liens of public utilities, workers, suppliers of materials, contractors, subcontractors, architects and unpaid vendors of moveable property) incidental to any current operations of the Lands which have not been filed pursuant to any legal requirement or which relate to obligations not yet due or delinquent.
9. Zoning restrictions, restrictions on the use of the Lands or minor irregularities in title thereto.
10. The reservations, limitations, conditions and exceptions to title set out in the *Land Titles Act* (Ontario).
11. Instrument No. SC9488 registered on April 2, 2002, being a Notice of an Agreement between Laurel View Homes (HV) Inc. and The Corporation of the Township of Oro-Medonte (the “Township”).

12. Instrument No. SC36251 registered on July 10, 2002, being a Notice of an Agreement between Laurel View Homes (HV) Inc. and the Township.
13. Instrument No. SC663270 registered 2008/07/14 Notice from Horseshoe Valley Lands Ltd., Horseshoe/Salvil (Medonte) Limited, Skyline Horseshoe Valley Inc. and Skyline Utility Services Inc. to Horseshoe Valley Lands Ltd., Horseshoe/Salvil (Medonte) Limited, Skyline Horseshoe Valley Inc. and Skyline Utility Services Inc.
14. Instrument No. SC1158011 registered on September 5th, 2014, being a Notice of a Subdivision Agreement with the Township.
15. Instrument No. SC1162169 registered on September 24, 2014, being an Application to Annex Restrictive Covenants.
16. Instrument No. SC12I9985 registered on June 22, 2015, being a Land Registrar's Order amending the description of an easement registered as Instrument No. LT522878.

**ROMSPEN INVESTMENT CORPORATION**  
Applicant

-and-  
Respondents

**HORSESHOE VALLEY LANDS LTD.**  
Respondents

Court File No. CV-16-11468-00CL

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

**PROCEEDING COMMENCED AT**  
**TORONTO**

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**APPROVAL AND VESTING ORDER**

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