



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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE *MADAM*) WEDNESDAY, THE 15th DAY
JUSTICE *CONWAY*) OF NOVEMBER, 2017

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Applicant

- and -

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

Respondents

**APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O.1990, C. C.43, AS AMENDED, AND SECTION 243 OF THE *BANKRUPTCY
AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3 AS AMENDED**

**ORDER
(Re: Sale Procedure Approval)**

THIS MOTION, made by Rosen Goldberg Inc., in its capacity as the Court-appointed receiver (the "**Receiver**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) and section 101 of the *Courts of Justice Act* of the assets, property and undertaking of Horseshoe Valley Lands Ltd. and Horseshoe Ridge Homes Inc. (collectively, the "**Debtors**"), *inter alia*, for an order (a) approving the sale

procedure, substantially in the form attached as Schedule "A" hereto (the "**Sale Procedure**"), (b) approving an asset purchase agreement (the "**Stalking Horse Agreement**") between the Receiver and Romspen Investment Corporation, in trust (the "**Stalking Horse Bidder**"), as purchaser, and (c) sealing and treating as confidential Confidential Appendix 1 to the fifth report of the Receiver dated October 23, 2017 (the "**Fifth Report**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fifth Report, the Supplement to the Fifth Report dated November 13, 2017 (the "**Supplement**"), the Affidavit of James C. Cooper sworn November 6, 2017 and the Exhibits thereto, and on hearing the submissions of counsel for the Receiver, counsel for the Stalking Horse Bidder and on being advised of the consent of James C. Cooper, no one appearing for any other person on the Service List, although properly served as appears from the affidavits of Laura Micoli sworn October 25, 2017 and November 14, 2017, and the Affidavit of Michael Brzezinski sworn November 14, 2017, filed:

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms not defined herein shall have the meanings set out in the Sale Procedure.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record, and the Supplementary Motion Record is hereby abridged and validated

so that this Motion is properly returnable today and hereby dispenses with further service thereof.

SALE PROCEDURE

3. **THIS COURT ORDERS** that the Sale Procedure substantially in the form attached as **Schedule "A"** hereto is hereby approved.

4. **THIS COURT ORDERS** that the Receiver is hereby authorized to carry out the Sale Procedure and to take such steps and execute such documentation as may be necessary or incidental to the Sale Procedure.

STALKING HORSE AGREEMENT

5. **THIS COURT ORDERS** that the Stalking Horse Agreement is hereby approved, provided that the approval of any sale of the Purchased Assets (as defined therein) by the Court will be subject to a subsequent motion to be held in accordance with the Sale Procedure.

APPROVAL OF RECEIVER'S REPORT

6. **THIS COURT ORDERS** that the Fifth Report, the Supplement and the activities of the Receiver described therein are hereby approved.

← ✓ and Confidential Appendix to the Supplement ✓

7. **THIS COURT ORDERS** that Confidential Appendix 1 to the Fifth Report be and is hereby sealed pending further Order of the Court.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

8. **THIS COURT ORDERS** that the Receiver's interim statement of receipts and disbursements appended to the Fifth Report is hereby approved

GENERAL

9. **THIS COURT ORDERS** that the Receiver may apply from time to time to this Court for advice and directions in the discharge of its powers and duties hereunder.



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Schedule "A"

Sale Procedure

Pursuant to a receivership application issued on July 22, 2016, by Romspen Investment Corporation bearing Court file No. CV-16-111468-00CL (the "**Receivership Proceeding**"), and an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") therein dated November 29, 2016 (as amended by Order of the Court dated December 22, 2016, and as may in the future be supplemented, amended or restated from time to time, collectively, the "**Appointment Order**"), Rosen Goldberg Inc. (the "**Receiver**") was appointed receiver, without security, of the assets, property and undertaking (collectively, the "**Property**") of each of Horseshoe Valley Lands Ltd ("**HVL**") and Horseshoe Ridge Homes Inc. ("**HRH**" and with HVL collectively, the "**Debtors**").

At the time of the making of the Appointment Order, HVL's real property consisted of vacant lands in the Township of Oro-Medonte, in the vicinity of the Horseshoe Valley Resort (the "**Lands**") which were being developed for residential use by HVL (the "**Project**"). The Lands were comprised of :

- (a) 29 single family lots, on the south side of Horseshoe Valley Road (the "**29 Single Family Lots**");
- (b) 19 townhouse lots on the south side of Horseshoe Valley Road, 9 of which are serviced and 11 of which are unserviced (the "**Townhouse Lots**");
- (c) 1 unserviced single family lot on the south side of Horseshoe Valley Road (the "**1 Unserved Single Family Lot**");
- (d) 1 unserviced commercial/institutional lot on the south side of Horseshoe Valley Road;
- (e) 67 acres approved for 789 residential units on the south side of Horseshoe Valley Road;
- (f) 109.9 acres zoned 50% rural agricultural and 50% environmental on the north side of Horseshoe Valley Road;
- (g) 3.91 acres zoned for agricultural uses on the south side of Horseshoe Valley Road; and
- (h) 52.75 acres, substantially all of which are zoned for residential development, on the north side of Horseshoe Valley Road;

HVL marketed the Lands for sale through HRH.

The Property, excluding the 29 Single Family Lots, the Townhouse Lots and the 1 Unserved Single Family Lot, comprises the "**Remaining Property**"

On November 15, 2017, the Court made an order (the "**Sale Procedure Order**")

among other things, approving (a) the Receiver's entry into a certain agreement of purchase and sale for the Remaining Property between the Receiver and Romspen Investment Corporation as purchaser (the "**Stalking Horse Bidder**") dated October 20, 2017 (the "**Stalking Horse Agreement**") so as to set a minimum floor price in respect of the Receiver's sales process; and (b) this Sale Procedure for the solicitation of offers or proposals (each a "**Bid**") for the acquisition of the Remaining Property, or some portion thereof.

Accordingly, the following Sale Procedure shall govern the proposed sale of all or substantially all of the Remaining Property pursuant to one or more Bids. This Sale Procedure shall govern the sales process relating to the solicitation by the Receiver of one or more Bids for the Remaining Property that, alone or in combination, are superior to that contemplated by the Stalking Horse Agreement.

All denominations are in Canadian Dollars.

1. **Definitions**

Capitalized terms used in this Sale Procedure shall have the definitions given to them in the preamble hereto and as follows:

"**Acknowledgement of Sale Procedure**" means an acknowledgement of the Sale Procedure in the form attached as **Schedule A** hereto;

"**Acquisition Entity**" means an entity specially formed for the purpose of effectuating the contemplated transaction;

"**Back-up Bid**" means the next highest and/or best Qualified Phase II Bid after the Successful Bid, as assessed by the Receiver, taking into account financial and contractual terms and the factors relevant to the Sale Procedure, including those factors affecting the speed and certainty of consummating the proposed sale;

"**Back-up Bidder**" means the bidder submitting the Back-up Bid;

"**Bidder**" means a Qualified Phase I Bidder or a Qualified Phase II Bidder;

"**Accounts Receivable**" means (i) all accounts receivable owing to any or both of the Debtors.

"**Confidential Data Room**" means a private data room prepared and maintained by the Receiver containing confidential information in respect of or related to the Remaining Property;

"**Confidential Information Memorandum**" means a confidential information memorandum prepared by the Receiver providing certain confidential information in respect of or related to the Remaining Property;

"**Confidentiality Agreement**" means an executed confidentiality agreement in

form and substance acceptable to the Receiver and its counsel;

"Cushman & Wakefield" means Cushman & Wakefield Ltd. in its capacity as marketing and listing agent to the Receiver pursuant to an engagement agreement to be dated as of November 15, 2017;

"Encumbrances" means, collectively, all pledges, liens, security interests, encumbrances, claims, charges, options, and interests;

"Good Faith Deposit" means a cash deposit equal to five (5) percent of the total purchase price contemplated under the applicable Modified APA;

"Interested Party" means a party participating in this Sale Procedure;

"Modified APA" means an executed mark-up of the Stalking Horse Agreement reflecting the applicable Qualified Phase I Bidder's proposed changes to the Stalking Horse Agreement;

"Notice Parties" means the Receiver and Dickinson Wright LLP;

"Participant Requirements" means, collectively, the requirements set out in Section 4(a) through 4e(iv) hereof;

"Phase I Bid" means an initial Bid submitted by an Interested Party pursuant to Section 4 hereof;

"Phase I Bid Deadline" means 10:00 a.m. (Eastern time) on January 16, 2018;

"Phase I Bidder" means a bidder submitting a Phase I Bid;

"Phase I Participant Requirements" has the meaning given to it in Section 4 hereof;

"Phase II Bid" means a Bid submitted by a Qualified Phase I Bidder pursuant to Section 9 hereof;

"Phase II Bid Deadline" means 10:00 a.m. (Eastern time) on January 31, 2018;

"Principals" means, collectively, the equity holder(s) of an Acquisition Entity and any guarantor of any Bid made by such Acquisition Entity;

"Qualified Phase I Bidder" means a Phase I Bidder that delivers the documents described in paragraphs (a) through (e) in Section 4, and that the Receiver determines is reasonably likely to submit a binding *bona fide* offer that would have an aggregate purchase price for the Remaining Property that exceeds the Stalking Horse Purchase Price and would be able to consummate a transaction if selected as a Successful Bidder;

"Qualified Phase II Bid" means a Phase II Bid that satisfies the conditions set

out in Section 8 hereof;

"Qualified Phase II Bidder" means a bidder submitting a Qualified Phase II Bid;

"Sale Hearing" means a hearing to approve the sale of Remaining Property to the Successful Bidder;

"Romspen" means Romspen Investment Corporation in its capacity as the senior secured lender of the Debtors;

"Stalking Horse Purchase Price" means \$20,000,000.00;

"Successful Bid" means the highest and best Qualified Phase II Bid as determined by the Receiver, taking into account financial and contractual terms and the factors relevant to the Sale Procedure, including those factors affecting the speed and certainty of consummating the proposed sale; and

"Successful Bidder" means the Bidder submitting the Successful Bid.

2. Assets for Sale

The Receiver is soliciting superior offers for all of and not less than all of the Remaining Property (as defined in the Stalking Horse Agreement).

For the purposes of this Sale Procedure, Bids may be submitted only for the entire Remaining Property.

3. Sale Procedure Structure and Bidding Deadlines

The Sale Procedure shall consist of two phases. In the first phase, Interested Parties that meet the preliminary participant requirements set out herein, including having executed a Confidentiality Agreement, shall be provided the Confidential Information Memorandum in order to prepare and submit their Phase I Bid by the Phase I Bid Deadline and be given access to additional confidential information in the Confidential Data Room. Phase I Bidders that are determined by the Receiver to be Qualified Phase I Bidders shall be invited to participate in the second phase to submit a Phase II Bid.

The Receiver will be engaging Cushman & Wakefield as marketing and listing agent to assist the Receiver with the implementation of the Sale Procedure. Interested Parties wishing to obtain information about the Sale Procedure, a copy of the Confidentiality Agreement and information in connection with their due diligence, should contact Cushman & Wakefield, Attn. Peter Deguerre (peter.deguerre@cushwake.com), and the Receiver, Rosen Goldberg Inc., Attn. Brahm Rosen (brosen@rosengoldberg.com).

All Phase I Bids must be submitted to the Notice Parties by email in accordance with the terms of this Sale Procedure so that they are actually received by each of the Notice Parties no later than the Phase I Bid Deadline. All Phase II Bids must be

submitted to the Notice Parties by email in accordance with the terms of this Sale Procedure so that they are actually received by each of the Notice Parties no later than the Phase II Bid Deadline. In addition, written copies of the Bids shall be delivered by the applicable deadline (or within one business day thereafter) to the Notice Parties at the following addresses: (a) the Receiver, Rosen Goldberg Inc., 5255 Yonge St, North York, ON M2N 5P8, Attn. Brahm Rosen, and (b) counsel to the Receiver, Dickinson Wright LLP, 199 Bay Street, Suite 2200, Toronto, ON M5L 1G4, Attn. David Preger. A Bid received after the Phase I Bid Deadline shall not constitute a Phase I Bid and a Phase II Bid received after the Phase II Bid Deadline shall be disqualified. A Bid shall be delivered to all Notice Parties at the same time.

4. Participant Requirements

Phase I Participant Requirements.

To participate in Phase I of the Sale Procedure and to otherwise be considered for any purpose hereunder, each Interested Party must provide the Receiver with each of the following prior to being provided with the Confidential Information Memorandum and access to the Confidential Data Room: (i) an executed Confidentiality Agreement; and (ii) an executed Acknowledgement of Sale Procedure (collectively, the "**Phase I Participant Requirements**").

Phase II Participant Requirements.

Only Qualified Phase I Bidders shall be allowed to participate in Phase II of the Sale Procedure. In order for the Receiver to determine whether an Interested Party is a Qualified Phase I Bidder, the Interested Party must provide, in form and substance satisfactory to the Receiver, each of the following on or before the Phase I Bid Deadline:

- (a) Identification of Phase I Bidder. Identification of the Phase I Bidder and any Principals, and the representatives thereof who are authorized to appear and act on their behalf for all purposes regarding the contemplated transaction;
- (b) Non-Binding Expression of Interest. An executed non-binding indication of interest satisfactory to the Receiver that must reasonably identify the contemplated transaction, the proposed purchase price, and conditions precedent to closing;
- (c) Corporate Authority. Written evidence of the approval of the Phase I Bid by the Phase I Bidder's chief executive officer or other appropriate senior executive; provided, however, that, if the Phase I Bidder is an Acquisition Entity, then the Phase I Bidder must furnish written evidence reasonably acceptable to the Receiver of the approval of the Phase I Bid by the Acquisition Entity's Principals; and
- (d) Proof of Financial Ability to Perform. Written evidence upon which the Receiver may reasonably conclude that the Phase I Bidder has the necessary financial ability to close the contemplated transaction and provide adequate assurance of future performance of all obligations to be assumed in such contemplated

transaction. Such information should include, among other things, the following:

- (i) the Phase I Bidder's or, in the case of an Acquisition Entity, the Principals', current financial statements (audited if they exist);
- (ii) contact names and numbers for verification of financing sources;
- (iii) evidence of the Phase I Bidder's or Principals' internal resources and proof of any debt or equity funding commitments that are needed to close the contemplated transaction; and
- (iv) any such other form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Receiver demonstrating that such Phase I Bidder has the ability to close the contemplated transaction;

provided, however, that the Receiver shall determine, in its reasonable discretion, whether the written evidence of such financial wherewithal is reasonably acceptable, and shall not unreasonably withhold acceptance of a Phase I Bidder's financial qualifications.

5. Designation as Qualified Bidder

Following the Phase I Bid Deadline, the Receiver shall determine which Phase I Bidders are Qualified Phase I Bidders. The Receiver shall notify each Phase I Bidder of its determination as to whether the Phase I Bidder is a Qualified Phase I Bidder as soon as practicable after the Phase I Bid Deadline.

Following the Phase II Bid Deadline, the Receiver shall determine which Phase II Bidders are Qualified Phase II Bidders. The Receiver shall notify each Phase II Bidder of its determination as to whether the Phase II Bidder is a Qualified Phase II Bidder as soon as practicable after the Phase II Bid Deadline.

For greater certainty, the Stalking Horse Bidder is and is deemed to be a Qualified Phase I Bidder and a Qualified Phase II Bidder for all purposes of this Sale Procedure.

6. Access to Due Diligence Materials

Only Interested Parties that satisfy the Phase I Participant Requirements will be eligible to receive the Confidential Information Memorandum and access the Confidential Data Room. If the Receiver determines that a Phase I Bidder does not constitute a Qualified Phase I Bidder, then such Phase I Bidder shall not be eligible to receive any additional due-diligence access, additional nonpublic information or any further access to the Confidential Data Room.

The Receiver will be responsible for the coordination of all reasonable requests for additional information and due-diligence access from Qualified Phase I Bidders. Neither the Receiver nor Cushman & Wakefield shall be obligated to furnish any due diligence information after the Phase II Bid Deadline. Neither the Receiver nor Cushman

& Wakefield shall be responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Remaining Property.

7. Information From Interested Parties

Each Interested Party shall comply with all reasonable requests for additional information by the Receiver regarding such Interested Party and its contemplated transaction. Failure by an Interested Party to comply with requests for additional information will be a basis for the Receiver to determine that the Interested Party is not a Qualified Phase I Bidder or a Qualified Phase II Bidder, as applicable.

8. Phase II Bid Requirements

Only Qualified Phase I Bidders shall be entitled to submit a Phase II Bid. In order to be considered a Qualified Phase II Bid, as determined by the Receiver, a Phase II Bid must satisfy each of the following conditions:

- (a) Written Submission of Modified APA and Commitment to Close. The Phase II Bid must be submitted by the Phase II Bid Deadline in the form of a Modified APA (together with a blackline of the Modified APA against the Stalking Horse Agreement), and a written and binding commitment to close on the terms and conditions set forth therein.
- (b) Irrevocable. A Phase II Bid must be received by the Phase Bid II Deadline, in accordance with Section 3 above, and must be irrevocable until date on which the Receiver obtains court approval of the Successful Bid, subject to the provisions hereof regarding the Back-up Bid being deemed to be the Successful Bid;
- (c) Conditions. A Phase II Bid may not be conditional on obtaining financing or any internal approval or on the outcome or review of due diligence. Any other terms and conditions associated with a Phase II Bid may not, in aggregate, be more burdensome than those set forth in the Stalking Horse Agreement;
- (d) Financing Sources. A Phase II Bid must be accompanied by written evidence of a commitment for financing or other evidence of the ability to consummate the transaction satisfactory to the Receiver and appropriate contact information for such financing sources must be provided;
- (e) No Fees payable to Qualified Phase II Bidder. A Phase II Bid may not request or entitle the Qualified Phase II Bidder to any break fee, expense reimbursement or similar type of payment;
- (f) Good-Faith Deposit. Each Phase II Bid must be accompanied by a Good Faith Deposit that shall be paid to the Receiver by wire transfer or banker's draft, to be held by the Receiver in trust in accordance with this Sale Procedure; and

- (g) Stalking Horse Purchase Price. The purchase price in a Phase II Bid must be in accordance with Section 11 below.

The Receiver shall be entitled to seek additional information and clarifications from Phase II Bidders in respect of their Phase II Bids at any time.

9. Furthers Bid by the Stalking Horse Bidder or Romspen

The Stalking Horse Bidder, Romspen or a person related thereto shall be entitled to make a Phase II Bid.

10. Determination of Successful Bid

If no Qualified Phase II Bid other than the Stalking Horse Bid is received by the Phase II Bid Deadline, then the Sale Procedure shall be terminated and the Stalking Horse Bidder shall be declared the Successful Bidder. If the Stalking Horse Bidder is declared the Successful Bidder, the Receiver shall as soon as reasonably practicable seek approval of, and authority to consummate, the Stalking Horse Agreement and the transactions provided for therein at the Sale Hearing and the Receiver shall post notice of such facts on its website established in connection with the Receivership Proceeding.

If one or more Qualified Phase II Bids other than the Stalking Horse Bid is received by the Phase II Bid Deadline, and the Receiver determines such Qualified Phase II Bid(s) to be greater than the Stalking Horse Bid, the Receiver shall have the option to:

- (a) Conduct an auction amongst the Qualified Phase II Bidders, on terms to be determined by the Receiver, to determine the Successful Bid and the Back-up Bid;
- (b) Negotiate with the Qualified Phase II Bidders and determine the Successful Bid and the Back-up Bid; or
- (c) Determine which of the Qualified Phase II Bids shall be the Successful Bid and which of the Qualified Phase II Bids shall be the Back-up Bid.

11. Increments of Phase II Bids

The minimum purchase price of any Phase II Bid must be the sum of the Purchase Price (as defined in the Stalking Horse Agreement) plus the Break Fee.

12. Acceptance of Successful Bid

The Receiver shall complete the sale transaction with the Successful Bidder following approval of the Successful Bid by the Court. The Receiver will be deemed to have accepted a Successful Bid only when the Successful Bid has been approved by the Court. The Receiver will be deemed to have accepted a Back-up Bid only when it has been approved by the Court and has been deemed to be a Successful Bid.

13. Break Fee

In consideration for the Purchaser's expenditure of time and money in acting as the initial bidder in the stalking horse bid and the preparation and negotiation of the Stalking Horse Agreement and subject to the terms and conditions of that Agreement and of the Sale Procedure Order, upon termination of the Stalking Horse Agreement by the Receiver or the closing of a sale and a transfer, or a series of sales and transfers, of substantially all of the Remaining Property to one or more parties other than Romspen (an "**Alternative Transaction**"), the Receiver shall pay to Romspen from the proceeds of an Alternative Transaction a break fee which includes re-imbusement of Romspen's expenses in connection with this transaction (the "**Break Fee**") equal to 1.75 % of the purchase price payable under the Stalking Horse Agreement. Payment of the Break Fee shall be made by the Receiver upon Court approval of said payment after consummation of the Alternative Transaction. Upon payment of the Break Fee to Romspen, Romspen and the Receiver shall have no further obligations under the Stalking Horse Agreement.

14. "As Is, Where Is"

The sale of any of the Remaining Property pursuant to this Sale Procedure shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Receiver, Cushman & Wakefield or their respective officers, directors, employees or agents except to the extent set forth in the Successful Bid. The Stalking Horse Bidder and each Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Remaining Property prior to making its Bid, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Remaining Property in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Remaining Property, or the completeness of any information provided in connection therewith, except as expressly stated in this Sale Procedure or (a) as to the Stalking Horse Bidder, the terms of the sale of the Remaining Property shall be set forth in the Stalking Horse Agreement, or (b) as to another Successful Bidder, the terms of the sale of the Remaining Property shall be set forth in the applicable purchase agreement

15. Free Of Any And All Encumbrances

Except as otherwise provided in each Successful Bid, the Remaining Property shall be sold free and clear of all Encumbrances, in accordance with a vesting order of the Court, with all Encumbrances on or against the Remaining Property to attach to the net proceeds of the sale of the Remaining Property after completion of each such sale under a Successful Bid.

16. Sale Hearing

A Sale Hearing shall be conducted by the Court as soon as practicable after the determination by the Receiver of the Successful Bidder. If the Successful Bid is approved by the Court and the Successful Bidder fails to consummate the transaction in accordance with the terms and conditions of the Successful Bid, the Receiver shall, provided it is so

authorized by the Court, be entitled, but not required, to deem the Back-up Bid the Successful Bid and the Receiver shall be authorized, but not required, to consummate the transaction with the Back-up Bidder and upon so doing the Back-up Bidder shall be deemed to be the Successful Bidder, subject to approval by the Court, which approval may be sought by the Receiver on a conditional basis at the Sale Hearing, at the Receiver's discretion.

17. Return of Good Faith Deposit

Good Faith Deposits of all Qualified Phase II Bidders shall be held in an account of the Receiver. Good Faith Deposits of all Qualified Phase II Bidders, other than the Successful Bidder and the Back-up Bidder, shall be returned to such Qualified Phase II Bidders within three (3) business days after the selection of the Successful Bidder and Back-up Bidder. Good Faith Deposits of the Successful Bidder shall be applied to the purchase price of such transaction at closing. The Good Faith Deposit of the Back-up Bidder shall be returned to the Back-up Bidder within three (3) business days after the closing of the transaction(s) contemplated by the Successful Bid. If a Successful Bidder (including any Back-up Bidder deemed to be a Successful Bidder hereunder) fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the Receiver shall be entitled to retain the Good Faith Deposit of the Successful Bidder as part of their damages resulting from the breach or failure to perform by the Successful Bidder. If the Successful Bidder fails to consummate an approved sale for any reason, and a transaction is completed with the Back-up Bidder, the Good Faith Deposit of the Back-up Bidder shall be applied to the purchase price of the transaction(s) contemplated by the purchase agreement of the Back-up Bidder at closing.

18. Modifications and Reservations

This Sale Procedure may be modified or amended by the Receiver provided that if such modification or amendment materially deviates from this Sale Procedure, such modification or amendment may only be made by order of the Court.

ROMSPEN INVESTMENT CORPORATION
Applicant

-and-

HORSESHOE VALLEY LANDS LTD.
Respondents

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

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PROCEEDING COMMENCED AT
TORONTO

ORDER
(Sale Procedure Approval)

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Lawyers for Rosen Goldberg Inc. in its capacity
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and Horseshoe Ridge Homes Inc.

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