

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

THE HONOURABLE ) WEDNESDAY, THE 3<sup>rd</sup>  
JUSTICE NEWBOULD ) DAY OF AUGUST, 2016

**B E T W E E N:**



**JIT SANDHER**

Applicant

- and -

**DORWAL LIMITED**

Respondent

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by Rosen Goldberg Inc., in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of the Respondent (the "Debtor") for an order, among other relief, approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale or offer to purchase executed June 20, 2016, (the "Sale Agreement") between the Receiver and 2152746 Ontario Limited ("215") and appended to the Report of the Receiver dated July 20, 2016 (the "Third Report"), and vesting in 2529154 Ontario Inc. (the "Purchaser"), as the assignee of 215's rights, obligations and title under the Sale Agreement, the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report and on hearing the submissions of counsel for the Receiver and any one appearing for any other person on the service list, as properly served as appears from the affidavits of Silvana Pocino sworn July 21, 2016 and August 2, 2016, 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 Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the completion of the Sale Agreement and 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 [and listed on Schedule B hereto] 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 Conway dated April 10, 2015; (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 Land Titles Division of Hastings (No. 21) 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 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, 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 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 settlement, 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.

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

8. 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.

9. 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.

10. THIS COURT ORDERS that the Third Report and the actions and activities of the Receiver as described in the Third Report are hereby approved.

11. THIS COURT ORDERS that the fees of the Receiver in the amount of \$51,541.00 including taxes is hereby approved.

12. THIS COURT ORDERS that the fees and disbursements of the Receiver's counsel in the amount of \$29,736.97 including taxes is hereby approved.

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

AUG 03 2016

PER / PAR: 

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

Court File No. CV-15-10826-00CL

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

**B E T W E E N:**

**JIT SANDHER**

Applicant

- and -

**DORWAL LIMITED**

Respondent

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice (the "Court") dated April 10, 2015, Rosen Goldberg Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of the Respondent (the "Debtor").

B. Pursuant to an Order of the Court dated August 3, 2016, the Court approved the agreement of purchase and sale made as of June 20, 2016 (the "Sale Agreement") between the Receiver and 2152746 Ontario Limited ("215") and provided for the vesting in 2529154 Ontario Inc. (the "Purchaser"), as the assignee of 215's rights, obligations and title under the Sale Agreement, of the Debtor'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.

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; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver on ● , 2016.

**ROSEN GOLDBERG INC., in its capacity as  
Receiver of the undertaking, property and  
assets of the Respondent, and not in its  
personal capacity**

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

Name:

Title:

## **Schedule B – Purchased Assets**

Real Property legally described as follows:

PT LT 2 CON BROKEN FRONT SIDNEY PT 1 & 2 21R4403 & PT 1, 2 & 3 21R6342 EXCEPT PT 1  
21R19163; S/T QR496679; QUINTE WEST; COUNTY OF HASTINGS

PIN 40406-0089 (LT)

Municipally known as 276 Dundas Street East, Trenton, Ontario

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

<b>REG. NUM.</b>	<b>DATE</b>	<b>INSTRUMENT TYPE</b>	<b>AMOUNT</b>	<b>PARTIES FROM</b>	<b>PARTIES TO</b>
(1) HT70889	2009/07/24	CHARGE	\$350,000	DORWAL LIMITED	NEW PUNJAB LOAN & FINANCIAL CORP.
(2) HT70891	2009/07/24	NO ASSGN RENT GEN		DORWAL LIMITED	NEW PUNJAB LOAN & FINANCIAL CORP.
(3) HT73414	2009/09/01	CHARGE	\$550,000	DORWAL LIMITED	SANDHER, JIT
(4) HT160111	2014/08/22	CHARGE	\$693,791	DORWAL LIMITED	KHOURI, ELIE
(5) HT161401	2014/09/18	NOTICE	\$1,126,489	DORWAL LIMITED	KHOURI, ELIE
(6) HT165589	2014/12/17	CHARGE	\$3,240,000	DORWAL LIMITED	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION
(7) HT165614	2014/12/17	POSTPONEMENT		KHOURI, ELIE	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION



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

**(unaffected by the Vesting Order)**

<b>REG. NUM.</b>	<b>DATE</b>	<b>INSTRUMENT TYPE</b>	<b>AMOUNT</b>	<b>PARTIES FROM</b>	<b>PARTIES TO</b>
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- (1) any easements, rights of way or licenses for any purpose whatsoever located on, around, over or upon the Real Property and required in connection therewith;
- (2) any site plan agreements, development agreements or subdivision agreements required by any governmental or municipal authority in connection with the Real Property and/or the subdivision of same, whether registered on title or not;
- (3) any encroachments by the buildings located on the Real Property unto any adjoining property or street and any encroachments by any structure located on adjoining property unto the Real Property; and
- (4) any work orders, notice of infractions or other municipal stop orders or deficiencies.

JIT SANDHER  
Applicant

- and -

DORWAL LIMITED  
Respondent

Court File No. CV-15-10826-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

Proceedings commenced at Toronto

**APPROVAL AND VESTING  
ORDER**

**FOGLER, RUBINOFF LLP**  
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*Lawyers for the court-appointed  
Receiver of Dorwal Limited, Rosen  
Goldberg Inc.*