

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

THE HONOURABLE) THURSDAY, THE 25TH
JUSTICE CONWAY) DAY OF JULY, 2019

BETWEEN:

BUDUCHNIST CREDIT UNION LIMITED

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,
2321198 ONTARIO INC., SASI MACH LIMITED and VICAR HOMES LTD.**

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Kofman Inc., in its capacity as court-appointed receiver and manager (the “Receiver”) of the real property located at 6216 Fifth Line RR#1, Egbert, Ontario and legally described in **Schedule A** hereto (the “Egbert Property”), for an order approving the proposed transaction (the “Transaction”) for the sale of the Egbert Property pursuant to an Agreement of Purchase and Sale dated June 26, 2019 (the “Sale Agreement”) between the Receiver and Calvin Breedon and Krista-Lee Breedon and appended to the Fifth Report of the Receiver dated July 17, 2019 (the “Report”), and vesting the Egbert Property in the purchasers, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the 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 affidavit of Amy Casella sworn July 17, 2019, 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 Egbert Property to Calvin Kenneth Breedon and Krista-Lee Jacqueline Breedon (collectively, the “**Purchasers**”).

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver’s certificate to the Purchasers substantially in the form attached as **Schedule B** hereto (the “**Receiver's Certificate**”), all of the right, title and interest of Carlo De Maria and Sandra De Maria (collectively, the “**Owners**”) in and to the Egbert Property shall vest absolutely in the Purchasers, 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 Second Amended and Restated Order of Justice Penny dated January 17, 2019; (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**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Egbert Property are hereby expunged and discharged as against the Egbert Property.

3. THIS COURT ORDERS that upon the registration in 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 Purchasers as the owners of the Egbert Property in fee simple, and is hereby directed to delete and expunge from title to the Egbert 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 Egbert Property shall stand in the place and stead of

the Egbert 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 Egbert Property with the same priority as they had with respect to the Egbert Property immediately prior to the sale, as if the Egbert 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.

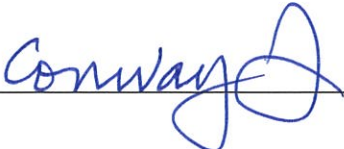
5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, 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 Owners and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Owners;

the vesting of the Egbert Property in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Owners and shall not be void or voidable by creditors of the Owners, 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.

7. THIS COURT ORDERS that the Confidential Appendices to the Fifth Report shall be sealed until the delivery of the Receiver's Certificate.



Schedule A – Legal Description of Egbert Property

PIN: 58120-0162 (LT)

Property Description: PT E 1/2 LT 10 CON 4 ESSA TWP PT 4 RD1027; ESSA

Address: 6216 Fifth Line RR#1, Egbert ON L0L 1N0

Schedule B – Form of Receiver’s Certificate

Court File No. CV-18-00608356-00CL

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RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to the Second Amended and Restated Order of Justice Penny of the Ontario Superior Court of Justice (the “**Court**”) dated January 17, 2019, KSV Kofman Inc. was appointed as receiver and manager (the “**Receiver**”) of, *inter alia*, the real property located at 6216 Fifth Line RR#1, Egbert, Ontario (the “**Egbert Property**”).

B. Pursuant to an Order of the Court dated July 25, 2019, the Court approved the transaction (the “**Transaction**”) for the sale of the Egbert Property pursuant to an Agreement of Purchase and Sale dated June 26, 2019 (the “**Sale Agreement**”) between the Receiver and Calvin Breedon and Krista-Lee Breedon (collectively, the “**Purchasers**”) and provided for the vesting in the Purchasers of the right, title and interest of Carlo De Maria and Sandra De Maria (collectively, the “**Owners**”) in and to the Egbert Property, which vesting is to be effective with respect to the Egbert Property upon the delivery by the Receiver to the Purchasers of a certificate confirming (i) the payment by the Purchasers of the purchase price for the Egbert Property; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the

Receiver and the Purchasers; 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 Purchasers have paid and the Receiver has received the Purchase Price for the Egbert Property payable on the closing of the Transaction;
2. The conditions to closing under the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers; and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV KOFMAN INC., in its capacity as receiver and manager of the real property located at 6216 Fifth Line RR#1, Egbert, Ontario, and not in its personal capacity

Per: _____
Name:
Title:

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

| Instrument # | Registration Date | Instrument |
|---------------------|--------------------------|---------------------------|
| SC431876 | 2006/04/28 | Charge |
| SC734513 | 2009/05/12 | Transfer of Charge |
| SC1219342 | 2015/06/18 | Restrictions Order |
| SC1575119 | 2019/02/12 | APL Court Order |

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PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

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**Lawyers for KSV Kofman Inc., in its capacity as
Court-Appointed Receiver**