

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

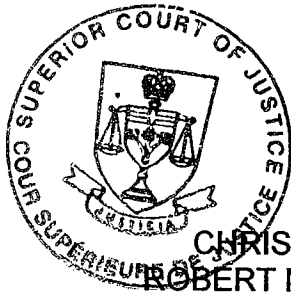
THE HONOURABLE ) FRIDAY, THE 11<sup>TH</sup> DAY  
JUSTICE **CAMPBELL** ) OF JUNE, 2010

BETWEEN:

SA CAPITAL GROWTH CORP.

Applicant

- and -



CHRISTINE BROOKS AS EXECUTOR OF THE ESTATE OF  
ROBERT MANDER, DECEASED AND E.M.B. ASSET GROUP INC.

Respondents

**APPLICATION UNDER** Rule 14.05(3)(g) of the *Rules of Civil Procedure* and section 101 of the *Courts of Justice Act*, R.S.O. 1990. c. C.43, as amended

**APPROVAL AND VESTING ORDER**  
(17 Stonebury Place, Freelton)

THIS MOTION, made by RSM Richter Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Stonebury Inc. (the "Debtor") and others for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and David Barg and Jennifer Barg (the "Purchaser") made as of May 26, 2010 and appended as Appendix B to the Third Report of the

Receiver dated June 8, 2010 (the "Report"), and vesting in the Purchaser all of the Debtor's right, title and interest in and to the real property known as 17 Stonebury Place, Freelton and described in Schedule B (the "Real Property"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, and upon being advised that no party on the Service List advised that it objected to the requested Order:

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the 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. The execution of the Sale Agreement by the Receiver is hereby ratified, authorized and approved, and 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 Real Property 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 Debtor's right, title and interest in and to the Real Property 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 any Orders of this Court in this Proceeding including the Second Amended Order made

March 19, 2010 and the Fresh as Amended Order made March 31, 2010; (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 permitted encumbrances, easements and restrictive covenants) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Real Property are hereby expunged and discharged as against the Real Property.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Wentworth (No. 62) 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 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 ("Proceeds") from the sale of the Real Property shall stand in the place and stead of the Real 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 Real Property with the same priority as they had with respect to the Real Property immediately prior to the sale, as if the Real 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.

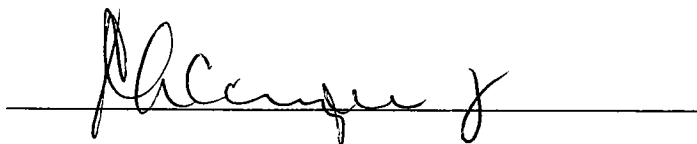
6. THIS COURT ORDERS that the Receiver be and is hereby authorized and directed to distribute from the Proceeds, the amount of approximately \$633,750 to The Toronto-Dominion Bank (the "Bank"), subject to any adjustments, including interest and legal fees, in respect of amounts owing to the Bank.

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

8. 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 Real Property 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, nor shall it constitute nor be deemed to be a transfer at undervalue, preference, assignment, fraudulent conveyance or other challengeable or voidable 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.

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 A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

JUN 11 2010

PER / PAR:



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

Court File No. 10-8619-00CL

B E T W E E N:

SA CAPITAL GROWTH CORP.

Applicant

- and -

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**RECEIVER'S CERTIFICATE**  
(17 Stonebury Place, Freelon)

**RECITALS**

A. Pursuant to an Order of Ontario Superior Court of Justice (the "Court") dated March 31, 2010, RSM Richter Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of Stonebury Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated June 11, 2010, the Court approved the agreement of purchase and sale made as of May 26, 2010 (the "Sale Agreement") between the Receiver and David Barg and Jennifer Barg (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Real Property, which vesting is to be effective with respect to the Real Property 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 Real Property; (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 Real Property 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 \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**RSM Richter Inc., in its capacity as Receiver of the undertaking, property and assets of Stonebury Inc. and not in its personal capacity**

Per \_\_\_\_\_

Name: ■

Title: ■

**Schedule B – Real Property**

Property Identifier No. 17524-0005(LT)

Parcel 8-1, Section 62M-547, being Lot 8 on Plan 62M-547

Subject to Instrument No. LT235295

Subject to Instrument No. LT220459

City of Hamilton

Being the whole of the said PIN.

Land Titles Division of Wentworth (No. 62).

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

1. Application to Change Name – Owner registered on November 21, 2008 as Instrument No. WE590453 whereby the name of 2142179 Ontario Inc. was changed to Stonebury Inc.
2. Charge registered on September 1, 2009 as Instrument No. WE642386 in favour of The Toronto-Dominion Bank, securing the original principal amount of \$633,750.00.
3. Application for Court Order registered on March 17, 2010 as Instrument No. WE677922.



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Justice Act, R.S.O. 1990. c. C.43, as amended

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER  
(Returnable June 11, 2010)

DAVIES WARD PHILLIPS & VINEBERG LLP  
44th Floor, 1 First Canadian Place  
Toronto, ON M5X 1B1

Matthew Gottlieb (LSUC #32268B)  
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Lawyers for the Receiver, RSM Richter Inc.