

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

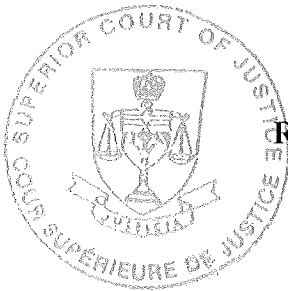
THE HONOURABLE MR. ) WEDNESDAY, THE 15<sup>th</sup>  
 )  
JUSTICE STRATHY ) DAY OF AUGUST, 2012

BETWEEN:

**ROYAL BANK OF CANADA**

Applicant

- and -



**REVSTONE INDUSTRIES BURLINGTON INC.**

Respondent

**APPLICATION UNDER** section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**ORDER**

**THIS MOTION**, made by Duff & Phelps Canada Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Revstone Industries Burlington Inc. (the “**Debtor**”) for an order, *inter alia*:

- a) if necessary, abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;

- b) approving the Third Report of the Receiver dated August 8, 2012 (the “**Third Report**”) and approving the actions of the Receiver described therein;
- c) sealing the Confidential Appendices to the Third Report until further Order of this Honourable Court;
- d) approving the fees and disbursements of the Receiver and its counsel for the period ended June 30, 2012 as described in the Third Report and as detailed in the affidavits of the Receiver and its counsel (the “**Fee Affidavits**”);
- e) authorizing and directing the Receiver to make an assignment in bankruptcy on behalf of the Debtor without interference or impairment of the Receiver retaining the right to complete a sale transaction for the Real Property (as defined in the Third Report) and without prejudice to the fulfillment of its obligations under the Liquidation Services Agreement (as defined below) or any other sundry outstanding issues required to complete its administration of these receivership proceedings; and
- f) approving the transfer of any monies in the hands of the Receiver to the bankruptcy estate of the Debtor, subject to a charge in favour of the Receiver for amounts to be paid to complete the receivership proceedings, including the fees and disbursements of the Receiver and its legal counsel and any ongoing expenses arising in the course of the receivership, including occupancy costs;

was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Third Report and the Fee Affidavits, and on hearing the submissions of counsel for the Receiver and Revstone Industries Burlington Inc., no one appearing for any other person on the service list, although properly served as appears from the affidavit of Stella Kostopoulos sworn August 9, 2012, filed;

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Third Report be and is hereby approved and the activities of the Receiver described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the Confidential Appendices to the Third Report be and are hereby sealed until further order of this Honourable Court.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel to June 30, 2012 as set out in the Third Report and the Fee Affidavits, be and are hereby approved.
5. **THIS COURT ORDERS** the Receiver is hereby authorized to make an assignment in bankruptcy on behalf of the Debtor.
6. **THIS COURT AUTHORIZES AND DIRECTS** that, subject to Paragraphs 7 and 8 below, all of the assets, undertakings and properties of the Debtor in the possession of the Receiver, shall vest in the trustee in bankruptcy (the “**Trustee**”) upon the Receiver making an assignment in bankruptcy on behalf of the Debtor.
7. **THIS COURT AUTHORIZES AND DIRECTS** that notwithstanding any assignment in bankruptcy made on behalf of the Debtor by the Receiver, the Receiver shall retain all of its rights arising under the Appointment Order, or any other orders issued by this Court in the receivership proceedings, in respect of:

- (a) the Real Property (as defined in the Third Report) until such time as the Receiver is able to complete the sale transaction for the Real Property, approval for which has been granted by this Court as of the date hereof; and
- (b) any properties, assets or undertakings of the Debtor which the Receiver is required to retain in its possession including to satisfy its obligations under a Liquidation Services Agreement (collectively, the “**Remaining Liquidation Assets**”) made between the Receiver and Corporate Assets Inc. dated April 17, 2012 (the “**Liquidation Services Agreement**”);

provided that: (i) any proceeds of any assets, including the Real Property or any of the Remaining Liquidation Assets received by the Receiver shall be transferred to the trustee in bankruptcy of the Debtor’s estate; and (ii) any of the Remaining Liquidation Assets which have not been sold after the Liquidation Services Agreement has been terminated and all obligations thereunder have been fulfilled shall vest in the trustee in bankruptcy of the Debtor’s estate.

8. **THIS COURT ORDERS** that notwithstanding any assignment in bankruptcy made on behalf of the Debtor by the Receiver, all amounts to be paid to complete the receivership proceedings, including the fees and disbursements of the Receiver and its legal counsel and any ongoing expenses arising in the course of the receivership, including occupancy costs (collectively, the “**Additional Costs**”) shall be paid to the Receiver and its counsel, and the Receiver and its counsel shall be entitled to and are hereby granted a charge (the “**Additional Costs Charge**”) on the Property that is transferred to the Trustee pursuant to the *Bankruptcy and Insolvency Act* in accordance with this Order (the “**Estate Property**”) as security for all Additional Costs incurred both before and after the making of this Order in respect of these

proceedings, and that the Additional Costs Charge shall form a first charge on the Estate Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the *Bankruptcy and Insolvency Act* (Canada).

GRANT J

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

AUG 15 2012

PER/PAR:



**ROYAL BANK OF CANADA**

- and -

**REVSTONE INDUSTRIES BURLINGTON INC.**

Applicant

Respondent

Court File No. CV-12-9542-00CL

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

**Proceedings commenced at Toronto**

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**ORDER**  
**(re Bankruptcy Assignment)**

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**AIRD & BERLIS LLP**  
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*Lawyers for Duff & Phelps Canada Restructuring Inc. in its capacity  
as Court-appointed receiver of Revstone Industries Burlington Inc.*



ROYAL BANK OF CANADA

- and -

REVSTONE INDUSTRIES BURLINGTON INC.

Applicant

Respondent

Aug 15/12  
Court File No. CV-12-9542-00CL

August 15, 2012

A. Collins for the Receiver  
H. Chariton for Revstone

The secured creditors have been paid in full. Notice of the motion has been given to the five largest unsecured creditors, who do not oppose the orders. Orders to issue in form signed by me this day (attached) and riding the seal of the confidential appendices to the Third Report of the Receiver. The appendices may be unsealed after the filing of the Receiver's certificate. The Receiver has indicated that he will not make an assignment in bankruptcy on behalf of the debtor for a period of 30 days, without the consent of Revstone Industries Burlington Inc. (RIBI). RIBI shall explore the possibility of proceeds with a distribution to unsecured creditors by way of a proposal to allow for the sale of any tax losses. If no proposal or other intention to file a proposal has been filed within 30 days of the date of the filing of the Receiver's certificate, on seven (7) days thereafter on behalf of RIBI.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
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Proceedings commenced at Toronto

MOTION RECORD  
(returnable August 15, 2012)

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Lawyers for Duff & Phelps Canada Restructuring Inc. in its capacity as Court-appointed receiver of Revstone Industries Burlington Inc.



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**REVSTONE INDUSTRIES BURLINGTON INC.**

Respondent

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**Unofficial Transcription of the Endorsement of the Honourable Justice Strathy  
August 15, 2012**

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A. Collins for the Receiver  
H. Chaiton for Revstone

The secured creditors have been paid in full. Notice of the motion has been given to the five largest unsecured creditors, who do not oppose the orders. Orders to issue in form signed by me this day (attached) and ordering the sealing of the confidential appendices to the Third Report of the Receiver. The appendices may be unsealed after the filing of the Receivers Certificate.

The Receiver has undertaken not to make an assignment in bankruptcy on behalf of the debtor for a period of 30 days without the consent of Revstone Industries Burlington Inc. (RIBI). RIBI shall explore the possibility of providing with a distribution to unsecured creditors by way of a proposal to allow for the sale of any tax losses. If no proposal or notice of intention to file a proposal has been filed within 30 days of this date the Receiver may, on seven (7) days after, file an assignment in bankruptcy on behalf of RIBI.

“Strathy J.”