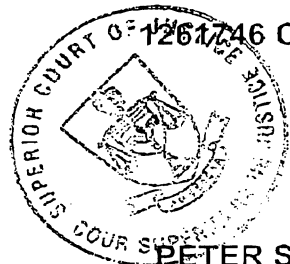


Court File No.: 07-CL-7077

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

The Honourable Mr)
Justice Cumming) November 8, 2007
)
)

B E T W E E N



1261746 ONTARIO INC., WILNOR HOLDINGS LTD., LIGHTHOUSE EQUITIES LTD., WILLIAM H. BROWN AND ROBERT HART

Applicants

- and -

PETER SABOURIN, SABOURIN AND SUN CANADA INC., SABOURIN AND SUN INC., SABOURIN AND SUN (BVI) INC., SABOURIN AND SUN GROUP OF COMPANIES INC., GROUP NORTH PROPERTIES LTD., WHISPERING PINES GOLF COURSE LIMITED, 166815 ONTARIO INC., 1684164 ONTARIO LTD., 1692373 ONTARIO LTD., 1692374 ONTARIO LTD., ALMAGUIN PARKLANDS INC., 1670342 ONTARIO LTD., CARRYING ON BUSINESS AS PICKEREL LAKE LODGE LIMITED, 1681114 ONTARIO LTD., CARRYING ON BUSINESS AS GROUP WEST LTD., 1673227 ONTARIO INC., CARRYING ON BUSINESS AS BIRCHWOOD CAMP, 1689542 ONTARIO LTD., CARRYING ON BUSINESS AS PINES COTTAGE RESORT, 1695083 ONTARIO LTD., CARRYING ON BUSINESS AS PRIVILEGE RESORTS INTERNATIONAL INC., CAMDETON TRADING LIMITED, VECTOR FINANCIAL SERVICES LIMITED, HANNA MINSKY, RISA SHARE, HOWIE SHARE, TAMARA WEISZ, SHERRI WEISZ, ROBERT WEISZ, FLORENE SHUBER, CIBC TRUST CORPORATION AS TRUSTEE FOR SDRRSP NO.19499 AND CITIZENS BANK OF CANADA

Respondents

ORDER

This motion made by the Applicants for an order approving the First Report to the Court of the Receiver Mintz & Partners Limited ("the Receiver") was heard this day at Toronto.

On reading the Receiver's First Report to the Court, the Applicants' motion record for a motion heard October 4 and 5, 2007, the Affidavit of William H. Brown sworn November 7, 2007, the Fresh Amended Notice of Application, the Affidavits of Helen Paciocco sworn November 6 and 7, 2007 and the Affidavit of Robert Weisz sworn November 7, 2007 and on hearing the submissions of counsel for the Applicants and the Receiver, counsel for the mortgagees 1369574 Ontario Limited ("1369574") and Vector Financial Services Limited ("Vector"), counsel for the mortgagees Robert Weisz, Florene Shuber, Hanna Minsky, Risa Share, Howie Share, Tamara Weisz, Sherri Weisz and CIBC Trust Corporation (collectively "the Weisz mortgagees"), counsel for Joe Martins, counsel for the Ontario Securities Commission, counsel for the mortgagee Citizens Bank of Canada and counsel for Judith Laiken Defendant and Plaintiff by Counterclaim in Ontario Superior Court of Justice action # CV-187887CM4,

1. This Court Orders that the Receiver's First Report to the Court be and is hereby approved.
2. This Court Orders that 1369574, Vector, Citizens Bank of Canada and the Weisz mortgagees and their successors or assigns be and are hereby at liberty to enforce all rights and remedies available to them and as they may be advised as mortgagees or chargees of the properties listed and described on Schedule "A" to this Order in priority to any claims of the Receiver or the Applicants excepting Vector's rights and remedies as chargee of property number 1 listed and described on Schedule "A" to this Order under a charge registered in the Land Registry Office for Parry Sound (No.42) as instrument no. GB 5191 wherein 1670342 Ontario Inc. is chargor and Vector is chargee.
3. This Court Orders that paragraph 17 of this Court's Order herein dated October 5, 2007 be and is hereby varied and the charge on the Property shall be and is hereby subordinated to the mortgages of 136954, Vector, Citizens Bank of

Canada and the Weisz mortgagees of the property listed and described on Schedule "A" to this Order.

4. This Court Orders that paragraph 17 of this Court's Order herein dated October 5, 2007 be and is hereby varied by increasing the limit stated therein to \$300,000.00.

5. This Court Orders that the Receiver is to have until February 1, 2008 to determine whether the Receiver challenges the second charge held by Vector registered in the Land Registry Office for Parry Sound (No.42) as instrument no. GB 5191 wherein 1670342 Ontario Inc. is chargor and Vector is chargee ("instrument no. GB 5191"). Until February 1, 2008, the balance of the proceeds of sale of property number 1 listed and described on Schedule "A" to this Order after payment of the first mortgage and sale expenses will be held in escrow pending the said determination by the Receiver. As of February 1, 2008, Vector shall be at liberty to enforce all rights and remedies available to it and as it may be advised as chargee under instrument no. GB 5191 including receipt of payment of the amount due and owing thereunder subject to any further order that may be made by this court.

6. This Court Orders that in regard to the properties numbered 1, 2, 3 and 4 listed and described on Schedule "A" to this Order, the Certificates of Pending Litigation registered herein in the Land Registry Office for Parry Sound (No.42) on July 10, 2007 as instrument no. GB 6750, in the Land Registry Office for Haliburton (No.19) on July 10, 2007 as instrument no. 273466 and in the Land Registry Office for Muskoka (No.35) on July 6, 2007 as instrument no. MT 34978 be discharged.

7. This Court Orders that in regard to the properties numbered 5, 8 and 10 listed and described on Schedule "A" to this Order, the Certificates of Pending Litigation registered herein in the Land Registry Office for Parry Sound (No.42)

on July 10, 2007 as instrument no. GB 6750, in the Land Registry Office for Haliburton (No.19) on July 10, 2007 as instrument no. 273466 and in the Land Registry Office for Muskoka (No.35) on July 6, 2007 as instrument no. MT 34978 be discharged.

8. This Court Orders that in regard to the properties numbered 6, 7, 9 and 10 listed and described on Schedule "A" to this Order the instruments set out below opposite the following properties be discharged:

- i) Property No. 6 – Instrument no. 210161 registered on July 9, 2007;
- ii) Property No.7 – Instrument no. GB 6665 registered on July 6, 2007;
- iii) Property No.7 – Instrument no. GB 10292 registered on November 14, 2007;
- iv) Property No.9 – Instrument no. 210161 registered on July 9, 2007;
- v) Property No. 10 – Instrument no. MT 26955 registered on December 7, 2006;
- vi) Property No.10 – Instrument no. MT 17101 registered on May 4, 2006;

9. This Court Orders that 1369574 and Vector shall pay to the Receiver the Receiver's reasonable costs of maintaining and insuring the properties numbered 1, 2, 3 and 4 listed and described on Schedule "A" to this Order.

10. This Court Orders that the Weisz mortgagees shall pay to the Receiver the Receiver's actual out of pocket costs of maintaining and insuring the properties numbered 5 through 10 listed and described on Schedule "A" to this Order from the proceeds of sale of said properties.

11. This Court Orders that paragraphs 9 and 10 of this Order are without prejudice to any mortgagees' rights to assume maintenance or to place insurance at the mortgagees' own expense.

12. This Court Orders that upon the sale of each property listed and described on Schedule "A" to this Order the mortgagee effecting the sale shall pay to the Receiver as compensation for fees and costs the sum of \$4,000.00 which shall be paid in whole or in part from the surplus available after payment of the mortgagees principal, interest and costs and in the event said surplus is insufficient to pay said sum it shall be paid in whole or in part from the amount otherwise paid to the mortgagee from the proceeds of sale.

13. This Court Orders that the mortgagee selling under Power of Sale shall pay any surplus after payment in accordance with paragraph 12 above, in accordance with the Mortgages Act save and except that any monies payable to the registered owner of any property shall be paid to the Receiver.

14. This Court Orders that each mortgagee shall account to the Receiver monthly as to sales of property.

15. This Court Orders that in regard to the properties numbered 1, 2, 3, and 4 listed and described on Schedule "A" to this Order that registration of the order of this court herein dated October 5, 2007 registered in the Land Registry Office for Parry Sound (No.42) on November 14, 2007 as instrument no. GB 10292, in the Land Registry Office for Haliburton (No.19) on November 13, 2007 as instrument no. 275017 and in the Land Registry Office for Muskoka (No.35) on November 14, 2007 as instrument no. MT 41696 be deleted from title.

16. This Court Orders that in regard to the properties numbered 5, 8 and 10 listed and described on Schedule "A" to this Order that registration of the order of this court herein dated October 5, 2007 registered in the Land Registry Office for


Parry Sound (No.42) on November 14, 2007 as instrument no. GB 10292, in the Land Registry Office for Haliburton (No.19) on November 13, 2007 as instrument no. 275017 and in the Land Registry Office for Muskoka (No.35) on November 14, 2007 as instrument no. MT 41696 be deleted from title.

17. This Court Orders that any interested party may apply to this Court for directions in regard to the matters dealt with in this Order.

Dec. 17, 2007 Peter A. Cumming J.

PROCESSED BY THE REGISTRAR
OF LAND REGISTRY
ON BEHALF OF THE REGISTRAR

DEC 17 2007

RECEIVED: 

SCHEDULE "A"

LEGAL DESCRIPTIONS

1. 2159 PICKEREL LAKE - R.R.#2 - BURK'S FALLS, ONTARIO P0A 1C0

Land Titles - PIN 52147-0115 (LT) - PARRY SOUND REGISTRY OFFICE (NO. 42)

Parcel 11669, Sec. SS; Broken Lot 30, Concession 10, Armour except Plan PSR1956 & except Part 32, PSR 2044; the said Land are bounded by a strip of land on one chain in perpendicular width along the shore of Pickerel Lake; Township of Armour

Registry

Part of Lot 29, Concession 10, designated as:

Firstly: Parts 4, 6 and 9, Plan 42R-14173

Secondly: Part of Lot 29, Concession 10, Township of Armour; more particularly described as follows:

Premising that the westerly limit of Lot 29 has a course of North 22 degrees 06 minutes 30 seconds west and relating all bearings herein thereto:

Commencing at the north west angle of Lot 29, concession 10 of the said Township:

Thence south 22 degrees 06 minutes 30 seconds east along the westerly limit of said Lot 29, Concession 10 in the said Township a distance of 145.04 feet to an iron bar planted which point is the point of commencement of the lands hereinafter particularly described:

Thence in a direction north 67 degrees 53 minutes 30 seconds east a distance of 66 feet to an iron bar planted;

Thence in a direction south 81 degrees 45 minutes 50 seconds east a distance of 109.76 feet to an iron bar planted;

Thence north 68 degrees 53 minutes 30 seconds east a distance of 1,043.75 feet to an iron bar planted;

Thence south 21 degrees 02 minutes 35 seconds east a distance of 66 feet to a point;

Thence north 68 degrees 53 minutes 30 seconds west a distance of 1,203.28 feet to the westerly limit of Lot 29, Concession 10;

Thence north 22 degrees 06 minutes 30 seconds west 118.62 feet along the said westerly limit Lot 29, Concession 10 to the said place of beginning. As described as Secondly in Instrument No. 75495 and outlined in red on Sketch attached to Instrument No. 44955

Thirdly: All Lot 29, Concession 10, lying south of Part 1, Plan PSR-1890 as described in Instrument No. 75495

All in the Township of Armour, District of Parry Sound.

**2. 422 LAKEVIEW DRIVE, BURK'S FALLS, ONTARIO - PIN 52134-0174 (LT)
PARRY SOUND LAND REGISTRY OFFICE (NO. 42)**

Parcel 5825, Section SS; Part Lot 16, concession 12, Ryerson; Part Lot 17, Concession 12, Ryerson as in LT28346, Township of Ryerson, District of Parry Sound

**3. 4575 HIGHWAY NO. 60, DWIGHT, ONTARIO - HALIBURTON/MINDEN LAND
REGISTRY OFFICE (NO. 19)**

Part of Lot 9, Concession 13, designated as Part 3, Plan 19R-7029, Township of McClintock, County of Haliburton (No. 19)

**4. 451 GOLF COURSE ROAD, HUNTSVILLE - PIN 48079-0396 (LT) - MUSKOKA
LAND REGISTRY OFFICE (NO. 35)**

Part of Lot 15, Concession 4 Chaffby as in DM262962; subject to CH5978; Town of Huntsville, The District Municipality of Muskoka

**5. HIGHWAY 60, DWIGHT, ONTARIO - HALIBURTON LAND REGISTRY
OFFICE (NO. 19)**

Part of Lots 8 and 9, Concession 13, Plan 19R-7029, designated as Parts 1 & 2, in the Township of McClintock, in the County of Haliburton, as described in Instrument No. 20677559 for Part 1 and Instrument No. 152637.

**6. 20 SCOTIA ROAD, EMSDALE, ONTARIO - PARRY SOUND LAND REGISTRY
OFFICE (NO. 42)**

Part of Lot 16, Concession 9, Township of Perry, District of Parry Sound, designated as Part 1, Plan 42R-15544, together with right-of-way over Part of Lot 16, Concession 8, Township of Perry, District of Parry Sound, designated as Part 3, Plan 42R-6022 as set out in Instrument No. 175861.

**7. 419 OWL LAKE ROAD, KATRINE, ONTARIO - PINS 52144-0163 & 52144-0162
PARRY SOUND LAND REGISTRY OFFICE (NO. 42)**

Firstly: The whole of Parcel 11, 173 Parry Sound,
South Section, Part Lot 15, Concession 2, Part 4 on 42R-6558,

Part Broken Lot 15, concession 1 being Part 2 on 42R-6558,
All in The Township pf Armour, District of Parry Sound

Secondly: Parcel 11, 174 Parry Sound South Section being Part Lot 15,
Concession 2, parts 1 & 2 on 42R-6558, save and except 42R-10374,
Part 1 on 42R-10647 & 42R-13375; s/t LT251216; All in the
Township of Armour, District of Parry Sound
municipally known as 419 Owl Lake Road, Katrine, Ontario

**8. 1032 OXTONGUE LAKE ROAD, R.R. #1, DWIGHT, ONTARIO -
HALIBURTON/MINDEN LAND REGISTRY OFFICE (NO. 19)**

All and singular that certain parcel or tract of land and premises, situate, lying and being in the Township of McClintock in the County of Haliburton and being composed of Part of Lots 4 and 5 in Concession 12 of the said Township which is shown outlined in red on a blueprint of plan of survey dated May 20, 1952 made by Maurice W. Fitz Maurice, O.L.S. and attached to Instrument No. 276 and which said part is described as follows:

COMMENCING at the northeast angle of the said Lot 4;

THENCE south 20 degrees 39 minutes east, 2,160 feet along the easterly limit of the said Lot 4 to an iron post in the southeastern limit of Highway No. 60;

THENCE south 18 degrees 30 minutes west, 37.6 feet along the said southeasterly limit to the place of beginning of the lands herein described;

THENCE south 18 degrees 39 minutes west, 200 feet along the said southeastern limit;

THENCE south 51 degrees 10 minutes east, 747.9 feet to the highwater mark of the Oxtongue Lake;

THENCE in general northeasterly direction, along the said highwater mark, 200 feet more or less to a point which is intersected by a line drawn on a bearing of south 50 degrees 50 minutes east from the place of beginning;

THENCE north 50 degrees 50 minutes west, 746.7 feet to the place of beginning.

TOGETHER WITH A RIGHT OF WAY over the southwest 6 feet of the lands to the southeast of the within described lands, to a depth of 440 feet from the southeastern limited of Highway No. 60;

AND SUBJECT to a right of way over the northeast 12 feet of the lands herein described to the same depth; these rights of way forming a mutual driveway for the use of the owners and occupants from time to time of the within described lands and the lands to the southeast of these lands.

9. **ONTARIO STREET, BURK'S FALLS, ONTARIO - PARRY SOUND LAND REGISTRY OFFICE (NO. 42)**

Part of Lot 37, Registrar's compiled Plan 315, designated as Part 2, Plan 42R-15467, Township of Armour, District of Parry Sound.

10. **689 EVERGREEN TRAIL, HUNTSVILLE, ONTARIO - PIN 48124-0450 (LT) - MUSKOKA LAND REGISTRY OFFICE (NO. 35)**

Part of Lot 32, Concession 9, Stephenson; Part Lot 32, Concession 10, Stephenson Part 12, 35R-10294; together with DM331457, Township of Huntsville, The District of Municipality of Muskoka.

1261746 Ontario Inc., Wilnor Holdings Ltd., et al
Applicants

- and -

Peter Sabourin, Sabourin and Sun Canada Inc., et al
Respondents

Short Style of Proceeding

Court File No. 07-CL-7077

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding Commenced at Toronto

ORDER

DOUGLAS GORDON GARBIG
a professional corporation
200 Adelaide Street West, Suite 500
Toronto, Ontario M5H 1W7

DOUGLAS G. GARBIG
Law Society No. 22029L

Tel: (416) 862-7822
Fax: (416) 862-2568

Solicitor for 1369574 Ontario Limited and
Vector Financial Services Limited