

OCT 13 2020

2019

Hfx No. 494188

Supreme Court of Nova Scotia  
Halifax, N.S.  
In Bankruptcy and Insolvency

IN THE MATTER OF: the Receivership of Civic Homes Limited

Between:

Royal Bank of Canada


Applicant

-and-

Civic Homes Limited

Respondent

## SALE APPROVAL AND VESTING ORDER

Sgd.  BEFORE THE HONOURABLE Justice Scott C. Norton IN CHAMBERS:

UPON MOTION of Deloitte Restructuring Inc. (the "**Receiver**"), in its capacity as Court-appointed receiver of all of the assets, undertakings, real and personal property of Civic Homes Limited over which the Royal Bank of Canada holds security, for an Order:

- (i) approving the sale transaction (the "**Transaction**") of certain real property contemplated by an accepted offer constituting an Agreement of Purchase and Sale dated as of August 24, 2020 (the "**APS**") between the Receiver and Loon Lake Developments Limited (the "**Purchaser**"), and transferring to the Purchaser all of Civic Homes Limited's and the Receiver's right, title and interest in and to that certain real property owned by Civic Homes Limited described within the APS, located at Lot A-1R Loonview Lane, Westphal, Nova Scotia identified as PID 41332503, as more particularly described in Schedule "**D**" hereof (the "**Purchased Assets**"); and
- (ii) vesting and transferring Civic Homes Limited's and the Receiver's right, title and interest in the Purchased Assets in the Purchaser or the Purchaser's assignee, nominee or designate, as the case may be, free and clear of all Claims (as defined below).

AND UPON READING the Affidavit of Gavin MacDonald, Second Report of the Receiver and other material on file herein;

NOW UPON MOTION:

IT IS HEREBY ORDERED THAT:

1. The time for service of the Receiver's Notice of Motion is hereby abridged and validated to the extent required so that this Motion is properly returnable today and further service thereof is hereby dispensed with.
2. The activities of the Receiver and its administration of the estate as described in the Second Report of the Receiver are approved.
3. Unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the APS.
4. The Transaction is hereby approved, and the execution and delivery of the APS by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver and the Purchaser may agree to. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents, including a Deed, as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser, or to the Purchaser's assignee, nominee or designate, as the case may be, pursuant to the APS.
5. Upon the delivery of a Receiver's Deed and a Receiver's Certificate, substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), to the Purchaser or the Purchaser's assignee, nominee or designate as the case may be, and closing the Transaction in accordance with the APS, all of Civic Homes Limited's and the Receiver's right, title and interest in and to the Purchased Assets shall vest absolutely in such Purchaser or the Purchaser's assignee, nominee or designate as the case may be, 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 including, without limiting the generality of the foregoing any encumbrances or charges created by the Receivership Order issued April 30, 2020, and all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Nova Scotia), *Land Registration Act* (Nova Scotia), or any other personal or real property registry system (all of which are collectively referred to as the "**Claims**").
6. With respect to the Purchased Assets as more particularly described within Schedule "D" hereof:
  - (i) the interests of Civic Homes Limited's and the Receiver shall vest in the Purchaser subject to any applicable permitted encumbrances, easements or restrictive covenants listed on Schedule "C" hereto and any obligations or liabilities assumed by the Purchaser, or the Purchaser's assignee, nominee or designate pursuant to the APS; and
  - (ii) upon the registration of a Form 24 attaching a certified copy of this Sale Approval and Vesting Order and the Receiver's Certificate, with an applicable certificate of

legal effect from the recording solicitor, in the applicable Land Registration Office or Registry of Deeds as the case might be, the Registrar for that Registration District shall remove and release all applicable registered encumbrances listed Schedule "B" hereto, leaving in place only those permitted encumbrances, easements and restrictive covenants listed on Schedule "C" hereto.

7. For the purpose of determining the nature and priority of any Claims by operation of this Order, the net proceeds from the Transaction shall stand in the place and stead of the Purchased Assets, and from and after the closing of the Transaction, all Claims 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 closing of the Transaction. Without limiting the generality of the foregoing, the Receiver shall pay to the Halifax Regional Municipality from the net proceeds of the Transaction property taxes owing pursuant to Halifax Regional Municipality Charter sections 143 and 147.
8. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver and/or Civic Homes Limited are authorized and permitted to disclose and transfer to the Purchaser, or the Purchaser's assignee, nominee or designate customer information and human resources and payroll information Civic Homes Limited's records to the extent necessary or desirable in relation to the continued servicing of customers and the employment or potential employment of such employees by the Purchaser or the Purchaser's assignee, nominee or designate. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner that is consistent with the prior use of such information by Civic Homes Limited and/or the Receiver.
9. 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) (the "BIA") in respect of Civic Homes Limited and any Bankruptcy Order issued pursuant to any such applications; and
  - c) any assignment in bankruptcy made in respect of Civic Homes Limited,

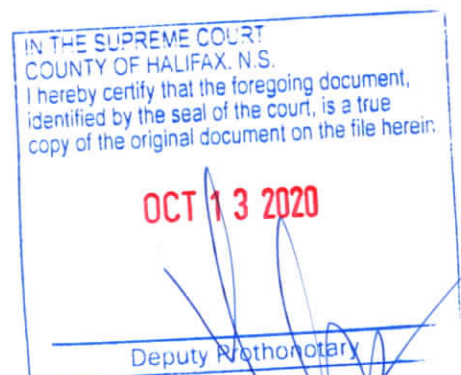
the entering into of the APS, the transfer of the Purchased Assets to the Purchaser or the Purchaser's assignee, nominee or designate as the case may be, and the vesting of the Purchased Assets in the Purchaser, or the Purchaser's assignee, nominee or designate as the case may be, pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Civic Homes Limited and shall not be void or voidable by creditors of Civic Homes Limited nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA, any other applicable federal or provincial legislation or otherwise at law or equity, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant, to any applicable federal or provincial legislation.

10. 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.

ISSUED October 13<sup>th</sup>, 2020.

Prothonotary

**KASHIKA JAGGI**  
Deputy Prothonotary



**KASHIKA JAGGI**  
Deputy Prothonotary

**Schedule "A"**

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IN THE MATTER OF: the Receivership of Civic Homes Limited

Between:

Royal Bank of Canada

Applicant

-and-

Civic Homes Limited

Respondent

**Receiver's Certificate**

**RECITALS:**

- A. Pursuant to an Order of this Court dated April 30, 2020 (the "**Receivership Order**"), Deloitte Restructuring Inc. (the "**Receiver**") was appointed as the receiver of all of the assets, undertakings and properties of Civic Homes Limited over which the Royal Bank of Canada holds security.
- B. The Receiver and Loon Lake Developments Limited (the "**Purchaser**") have entered into an accepted Offer to Purchase dated as of August 24, 2020 (the "**APS**") in respect of certain real property owned by Civic Homes Limited at Lot A-1R Loonview Lane, Westphal, Nova Scotia identified as PID 41332503 (the "**Purchased Assets**").
- C. The Order of this Court issued on October\_\_\_\_\_, 2020 provided for the sale of the Purchased Assets to the Purchaser (hereinafter the "**Grantee**"), vesting the right, title and interests of the Receiver and by Civic Homes Limited in the Purchaser or the Purchaser's assignee, nominee or designate, as the case may be, free and clear of all claims to be effective with respect to the Purchased Assets upon delivery by the Receiver to the Grantee of a certificate in this form.

**THE RECEIVER CERTIFIES AS FOLLOWS:**

1. The Grantee has paid and the Receiver (or its agent) has received the purchase price for the Purchased Assets payable pursuant to the APS.
2. The conditions to closing the sale of the Purchased Assets as set out in the APS have been satisfied or waived by the Receiver and the Grantee.

3. The sale of the Purchased Assets as contemplated by the APS has been completed to the satisfaction of the Receiver.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**Deloitte Restructuring Inc.** in its capacity as  
Court- appointed Receiver of **Civic Homes**  
**Limited** and not in its personal capacity

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

Name:

Title:

**Schedule "B"**  
**Encumbrances to be Discharged Against the Purchased Assets**

**As Against PID No. 41332503**

1. Mortgage in favour of Loon Lake Development Limited recorded April 1, 2015 as document no. 106878813.
2. Agreement between Loon Lake Development Limited and Civic Homes Limited recorded December 7, 2015 as document number 102882248.
3. Mortgage in favour of the Royal Bank of Canada recorded September 20, 2016 as document no. 109613233.
4. Postponement Agreement in favor of the Royal Bank of Canada recorded September 21, 2016 as document no. 109619024.
5. Mortgage in favour of Dexter Construction Company Limited recorded May 9, 2019 as document no. 114433890.
6. Order appointing Deloitte Restructuring Inc. as Trustee recorded July 10, 2020 as document no. 116618738.

**Schedule "C"**  
**Permitted Encumbrances**

**As Against PID No. 41332503**

1. Agreement with the Halifax Regional Municipality recorded March 24, 2015 as document no. 106827778.
2. Option to Obtain an Easement Agreement between Civic Homes Limited and Loon Lake Developments Limited recorded on December 7, 2015 as document no. 108220014.
3. Easement Agreement between Civic Homes Limited and Loon Lake Developments Limited recorded on December 7, 2015 as document no. 108219875.
4. Amendment to the Agreement with Halifax Regional Municipality recorded February 22, 2016 as documents no. 108558892.
5. Amendment to the Agreement with Halifax Regional Municipality recorded April 18, 2016 as documents no. 108807950.
6. Grant of Easement between Sobeys Land Holdings Limited and Civic Homes Limited recorded May 20, 2016 as document no. 108979437.
7. Grant of Easement between Sobeys Land Holdings Limited and Civic Homes Limited recorded May 20, 2016 as document no. 1008979445.
8. Grant of Easement in favour of Nova Scotia Power Incorporated recorded January 16, 2017 as document no. 110199503.



**Schedule "D"**  
**Purchased Assets**

**PID 41332503**

Registration County: HALIFAX COUNTY

Street/Place Name: HIGHWAY 7 / WESTPHAL

Title of Plan: PLAN OF SURVEY OF LOT A-1R & LOT B-1R2, RESULTING FROM A S/D & CONSOLIDATION OF PORTIONS OF LOT A-1, LANDS CONVEYED TO CIVIC HOMES LTD & LOT B-1R, LANDS CONVEYED TO 3240443 NOVA SCOTIA LIMITED

Designation of Parcel on Plan: LOT A-1R

Registration Number of Plan: 108850422

Registration Date of Plan: 2016-04-26 15:42:17

Subject to a Development Agreement and Amendments in favour of Halifax Regional Municipality recorded as Document No. 106827778, 108558892 and 108807950.

Subject to an Easement/Right of Way as found in Document No. 108219875.

Subject to an Easement/Right of Way as found in Document No. 108220014.

Together with an Easement/Right of Way as found in Document No. 108979437.

Together with an Easement/Right of Way as found in Document No. 108979445.

\*\*\* Municipal Government Act, Part IX Compliance \*\*\*

Compliance:

The parcel is created by a subdivision (details below) that has been filed under the Registry Act or registered under the Land Registration Act

Registration District: HALIFAX COUNTY

Registration Year: 2016

Plan or Document Number: 108850422