

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

THE HONOURABLE) FRIDAY, THE 19TH
)
MADAM JUSTICE HOY) DAY OF AUGUST, 2005



**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF THE MANDERLEY CORPORATION,
1310500 ONTARIO INC., LEO BEAL LTD. AND
MANDERLEY NATURAL TURF SYSTEMS INC.**

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION made by Doyle Salewski Inc., in its capacity as Court-appointed Interim Receiver (the "Interim Receiver") of the assets, undertakings and property (the "Property") of The Manderley Corporation, 1310500 Ontario Inc., Leo Beal Ltd. and Manderley Natural Turf Systems Inc. (collectively, the "Debtors") for approval of the sale of the Purchased Assets (as hereinafter defined) and a vesting order in respect of the Purchased Assets was heard this day at 393 University Avenue, Toronto, Ontario.

UPON READING the Notice of Motion, the Fifth Report of the Interim Receiver dated August 17, 2005, (the "Fifth Report"), the Supplemental Report to the Fifth Report (the "Supplemental Report") and upon hearing the submissions of counsel for the Interim Receiver, counsel for 6418937 Canada Inc. ("641") and such other counsel as may be present.

1. **THIS COURT ORDERS** that the time for service of this Notice of Motion and the Motion Record herein is abridged and that any further service of this Notice of Motion and the Motion Record be dispensed with such that this motion is properly returnable on August 19, 2005.
2. **THIS COURT ORDERS** that the activities of the Interim Receiver as outlined in the Interim Receiver's Fifth Report, and the Supplemental Report be and the same are hereby approved.
3. **THIS COURT ORDERS** that unless specified herein, all capitalized terms shall have the meanings ascribed to them in the proposed Asset Purchase Agreement between the Interim Receiver as Vendor and 641 as Purchaser (the "Asset Purchase Agreement").
4. **THIS COURT ORDERS** that the Asset Purchase Agreement, substantially in the form filed providing for a closing date on or before August 31st, 2005 unless otherwise approved by Royal Bank of Canada or Farm Credit Canada and the Transactions contemplated therein are approved.
5. **THIS COURT ORDERS** that, subject to the Interim Receiver having first filed an assignment in bankruptcy on behalf of the Debtors, the Interim Receiver be and it is hereby authorized, empowered and directed to implement and complete the Transactions substantially in accordance with the terms and conditions of the Asset Purchase Agreement, with such alterations, amendments, deletions and additions as the parties thereto may agree to, and to perform the obligations contained in the Asset Purchase Agreement without giving notice under Part V of the *Personal Property Security Act* (Ontario) R.S.O. 1990 c.P.10.
6. **THIS COURT ORDERS** that in completing the Transactions, subject to the terms and conditions of the Asset Purchase Agreement, the Interim Receiver be and it is hereby authorized to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Transactions as the Interim Receiver, in its discretion, may deem to be reasonably necessary or advisable to conclude the Transactions. Any transfers, assignments or other conveyances to be

registered at any Land Titles Office shall be deemed to be validly executed if signed by the Interim Receiver.

7. **THIS COURT ORDERS** that the *Bulk Sales Act*, R.S.O. 1990, c. B-14, as amended, and any other legislation affecting sales in bulk do not apply to the Asset Purchase Agreement and to the Transactions contemplated therein.

8. **THIS COURT ORDERS** that effective immediately upon the filing with this Honourable Court by the Interim Receiver of a certificate (the "Certificate"), substantially in the form of the Certificate attached as Schedule "A" hereto, confirming that the Transactions contemplated by the Asset Purchase Agreement have closed and that the debts owing by the Debtors to Royal Bank of Canada and the CCAA Lender have been paid in full, and that \$250,000 of the Sales Proceeds have been paid to Farm Credit Canada (collectively the "Closing Payments"), the right, title and interest of the Debtors and the Interim Receiver, if any, in and to the Purchased Assets including the lands and buildings described in Schedule "B" hereto (the "Lands") shall vest and are hereby vested in and to 641, absolutely and forever, free and clear of and from any and all estate, right, title, interest, claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, security notices, assignments, actions, levies, taxes, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, encumbrances or other rights, limitations or restrictions of any nature whatsoever, including, without limitation, any rights or interests of any of the creditors of the Debtors, whether or not they have attached or are perfected, registered, or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated or contingent (collectively, the "Claims"), by or of all persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executors, administrators or other legal representatives (collectively, the "Claimants"), including, without limitation, Claims listed or described or referred to in Schedule "C"

hereof, provided that nothing herein shall affect either: (1) those instruments listed or described or referred to in Schedule "D" hereto; or (2) the liens, charges or rights in respect of any Assumed Liabilities.

9. **THIS COURT ORDERS** that the instruments referred to in Schedule "C" are to be ruled off and expunged from title and that the Land Registrar is hereby so ordered.
10. **THIS COURT ORDERS** that the Purchase Price, net of the Closing Payments and any taxes and expenses arising from the implementation of the Asset Purchase Agreement (the "Net Purchase Price"), shall stand in the place and stead of the Purchased Assets, without prejudice to any Claims being advanced against same as could have been advanced against the Purchased Assets and that any such Claims against the Net Purchase Price shall be subject to the same priorities as could have been claimed against the Purchased Assets as if the sale of the Purchased Assets had not occurred. For the purposes of clarity, notwithstanding that this Order shall require the discharge of certain registrations against land and against personal property, priorities relating to Claims against the Net Purchase Price shall be adjudicated on the basis of registrations as they stand at 12:00 a.m. midnight on the day immediately preceding the day upon which the Transactions close.
11. **THIS COURT ORDERS AND DECLARES** that 641 shall, by virtue of completion of the purchase of the Purchased Assets pursuant to the Asset Purchase Agreement, have no liability of any kind whatsoever to any Claimants in respect of any Claims against the Debtors, save and except for as specifically provided for in the Asset Purchase Agreement.
12. **THIS COURT ORDERS** that the Interim Receiver is hereby directed to pay the Closing Payments, out of the proceeds of sale at the time and as part of Closing, and as soon as practicable thereafter, any taxes and expenses arising from the implementation of the Asset Purchase Agreement, the amounts outstanding under the Administrative Charge, and all amounts due by the Applicants for obligations incurred by them after the date of the commencement of these proceedings out of the Net Purchase Price and

to hold the Net Purchase Price then remaining, if any, pending further order of the court .

13. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings; and
- (b) the provisions of any federal or provincial statute,

neither the Asset Purchase Agreement and the Transactions contemplated thereby nor the vesting provisions in this Order will be void or voidable at the instance of the creditors and Claimants and do not constitute nor shall they be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, and they do not constitute conduct meriting an oppression remedy and shall be binding on the Debtors.

14. **THIS COURT ORDERS** that the Land Registrar is hereby directed to, upon delivery to it of a certified copy of the Certificate, issue new Certificates of Title to the property described in Schedule "B" in the name of 6418937 Canada Inc., free and clear of all encumbrances and the right, title and interest and equity of redemption of the Debtors and any person claiming by, through or under the Debtors will upon closing of the Transactions, forever be extinguished, save and except for the permitted encumbrances listed in Schedule "D" to this Order.

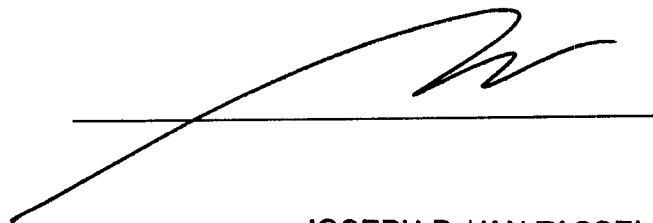
15. **THIS COURT ORDERS** that this Order shall be subject to provisional execution and may be implemented notwithstanding the issuance of the any appeal or motion seeking leave to appeal unless an Order is obtained expressly staying the operation of this Order.

16. **THIS COURT ORDERS** that in the event that the Asset Purchase Agreement does not close on the Closing Date or such later date as shall be agreed in writing by Royal Bank of Canada and Farm Credit Canada or their solicitors, Grant Thornton Limited is

hereby substituted as Monitor and Interim Receiver, without security, of all of the Debtor's Property.

17. **THIS COURT ORDERS** that the Supplemental Report shall be treated as confidential and sealed and shall not form a part of the public record pending the filing with this Court of the Certificate.
18. **THIS COURT ORDERS** that, upon the filing of the Certificate the Directors Charge provided for in the Initial Order be and the same is hereby terminated.
19. **THIS COURT ORDERS** that the Applicants and the Interim Receiver be and are hereby authorized to enter into a termination and settlement agreement (the "Settlement Agreement") with respect to a contract made as at March 16, 2005 (the "Round Oak Contract") between the Applicants on the one hand and Round Oak Management Ltd, DGHG & Associates Inc and their principals (collectively the "Advisors") on the other for the payment of \$50,000 in addition to the regular monthly payment of \$15,000 due under the terms of the Round Oak Contract, as full and final satisfaction of all claims which may now or hereafter be made by the Advisors against the Applicants, the Monitor or the Interim Receiver, whether arising under or related to the Round Oak Contract or otherwise, and further, this Court orders that the Applicants and the Interim Receiver pay to the Advisors, forthwith and prior to the Interim Receiver filing an assignment in bankruptcy on behalf of the Debtors, the sums due under the Settlement Agreement.
20. **THIS COURT ORDERS** that the stay of proceedings in this matter be extended until the earlier of September 2, 2005 or the day upon which the Applicants become bankrupt. Upon the bankruptcy of the Applicants the proceedings under the *Companies' Creditors Arrangement Act* shall be at an end and the Monitor shall be discharged provided however that the provisions of all orders made in these proceedings concerning the Interim Receiver and any and all charges and protections granted to the Monitor, the Interim Receiver, and other stakeholders as more specifically set out in the order of Justice Klowak date August 12, 2005 shall continue in full force and effect and be preserved.

21. **THIS COURT ORDERS** that the Interim Receiver and 641 be at liberty and are hereby authorized and empowered, to the extent necessary for fulfilling the terms of this Order, to seek the aid and recognition of any Court, tribunal or administrative body of any province of Canada, and in particular, the Alberta Court of Queen's Bench, or for an Order recognizing this Order in such other jurisdictions as are necessary to give effect to and assist the Interim Receiver and its agents in carrying out the terms of this Order including the making of such orders concerning the vesting of assets as may carry forward the intention of this order .
22. **THIS COURT RESPECTFULLY REQUESTS** that all Courts and administrative bodies in all such jurisdictions in Canada and elsewhere make such Orders and to provide such assistance that the Interim Receiver as an officer of the Court as they may deem necessary or appropriate for the purposes for which the Interim Receiver has been appointed, without limitation, this Court specifically requests the aid and assistance of the Albert Court of Queen's Bench.
23. **THIS COURT ORDERS** that service of this Order may be effected by facsimile transmission.



**JOSEPH P VAN TASSEL
REGISTRAR**

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

AUG 22 2005

PER/PAR



Schedule "A"

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

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF THE MANDERLEY CORPORATION,
1310500 ONTARIO INC., LEO BEAL LTD. AND
MANDERLEY NATURAL TURF SYSTEMS INC.**

Applicants

CERTIFICATE

DOYLE SALEWSKI INC., in its capacity as Court-appointed interim receiver of The Manderley Corporation, 1310500 Ontario Inc., Leo Beal Ltd. and Manderley Natural Turf Systems Inc. (the "Interim Receiver"), hereby certifies that the Interim Receiver has received the Purchase Price referred to in the Asset Purchase Agreement between the Interim Receiver and 6418937 Canada Inc. and has completed the Transactions contemplated therein and made the Closing Payments all in accordance with the Approval and Vesting Order issued by the Ontario Superior Court of Justice (Commercial List) dated August 19, 2005.

**Doyle Salewski Inc., in its capacity as Court-
appointed interim receiver of The Manderley
Corporation, 1310500 Ontario Inc., Leo Beal
Ltd. and Manderley Natural Turf Systems
Inc.**

Per: _____

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF THE MANDERLEY CORPORATION, 1310500 ONTARIO INC., LEO BEAL LTD. AND MANDERLEY NATURAL TURF SYSTEMS INC.

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO

CERTIFICATE

FRASER MILNER CASGRAIN LLP

Barristers and Solicitors
1 First Canadian Place, 41st Floor
Toronto, Ontario M5X 1B2

DAN R. DOWDALL

Tel: 416-863-4700
Fax: 416-863-4592
LSUC Reg. No. 16737D

ALEX ILCHENKO

Tel: 416-863-4748
Fax: 416-863-4592
LSUC Reg. No. 33944Q

Solicitors for Doyle Salewski Inc., Court-appointed Interim Receiver of The Manderley Corporation, 1310500 Ontario Inc., Leo Beal Ltd. and Manderley Natural Turf Systems Inc.

SCHEDULE "B"

LEGAL DESCRIPTION AND APPURTENANT RIGHTS

1. ONTARIO LANDS

A. TOWNSHIP OF ALFRED AND PLANTAGENET lands (Alfred Farm)

Registered Owner: THE MANDERLEY CORPORATION

Legal Description:

Firstly: Part of the East Quarter of Lot Number 10 in the 7th Concession of the Township of Alfred and Plantagenet (Geographic Township of Alfred), lying south of the right-of-way of the Canadian Pacific Railway crossing said lot and containing 6 acres of land more or less;

Secondly: South part of the west half of Lot Number 11, in the 7th Concession of the said Township of Alfred and Plantagenet (Geographic Township of Alfred) which lies south of the Canadian Pacific Railway Company's right-of-way, containing 3 acres of land more or less;

Thirdly: Lot Number 10, in the 8th Concession of the said Township of Alfred and Plantagenet (Geographic Township of Alfred), containing 200 acres of land more or less;

Fourthly: South half of Lot Number 11, in the said 8th Concession of the said Township of Alfred and Plantagenet (Geographic Township of Alfred), containing 100 acres of land more or less;

Fifthly: North West quarter of Lot Number 11, in the said 8th Concession of the said Township of Alfred and Plantagenet (Geographic Township of Alfred), containing 50 acres of land more or less;

Sixthly: Part of the West half of the East half of Lot Number 10, in the 7th Concession of the said Township of Alfred and Plantagenet (Geographic Township of Alfred) lying south of the right-of-way of the Montreal and Ottawa Railway Company, now the Canadian Pacific Railway Company, and containing 9 acres of land more or less, the parcel hereby conveyed or intended so to be being the southerly part, lying south of the Canadian Pacific Railway right-of-way aforesaid, of the parcel of land conveyed by one Emelien Pilon and his wife, Amanda Pilon, to one Romain Pilon by deed dated the 28th day of January, 1942 and registered in the Registry Office for the County of Prescott on the 10th day of March, 1942, in book 183 for the Township of Alfred and Plantagenet, (Geographic Township of Alfred) as Number 15318;

Seventhly: North half of Lot Number 9, in the said 8th Concession of the said Township of Alfred and Plantagenet (Geographic Township of Alfred), containing 100 acres more or less;

Eighthly: North half of Lot Number 11, in the 9th Concession of the said Township of Alfred and Plantagenet (Geographic Township of Alfred), containing 100 acres more or less;

Ninethly: Broken Lot Number 12, in the 9th Concession of the said Township of Alfred and Plantagenet (Geographic Township of Alfred), containing 75 acres more or less;

LANDS PREVIOUSLY DESCRIBED IN DEED NO. 21158C.

County of Prescott
Registry Division of Prescott (No. 46)

B. TOWNSHIP OF NORTH STORMONT (Geographic Township of Roxborough) lands

Registered Owner: THE MANDERLEY CORPORATION

Legal Description:

Firstly: Lots 1 to 18, inclusive, Township of North Stormont (Geographic Township of Roxborough), County of Stormont, according to a plan of subdivision registered in the Land Registry Office for the Registry Division of Stormont (No. 52) as Plan No. 352;

Secondly: Lots 1 to 18, inclusive, Township of North Stormont (Geographic Township of Roxborough), county of Stormont, according to a plan of subdivision registered in the Land Registry Office for the Registry Division of Stormont (No. 52) as Plan No. 355;

Thirdly: Block A and Block C,
Lots 28 to 37, inclusive, and
Lots 42 to 59, inclusive,
Township of North Stormont (Geographic Township of Roxborough), County of Stormont,
all according to a plan of subdivision registered in the Land Registry Office for the Registry Division of Stormont (No. 52) as Plan No. 353;

Fourthly: Block Q,
Lots 60 to 72, inclusive,
Lots 76 to 82, inclusive, and
Lot 87,
Township of North Stormont (Geographic Township of Roxborough), County of Stormont,
all according to a plan of subdivision registered in the Land Registry Office for the Registry Division of Stormont (No. 52) as Plan No. 354.

County of Stormont
Registry Division of Stormont (No. 52)

**C. TOWNSHIP OF NORTH GRENVILLE (Geographic Township of South Gower) lands
(Kemptville)**

**Registered Owner: THE MANDERLEY CORPORATION
(1stly, 2ndly, 3rdly and 4thly described lands)**

Legal Description:

Firstly: Part of the West half of Lot 1, Concession 8, Township of North Grenville (Geographic Township of South Gower), designated as Part 1 on Plan 15R-9208;

Secondly: South half of Lot 41, Concession 2, Township of North Grenville (Geographic Township of South Gower), containing by admeasurement 100 acres of land be the same more or less;

SAVE AND EXCEPT Parts 1 and 2 on Plan 15R-5169; County of Grenville;

Thirdly: Part of the North half of Lot 42, Concession 2, Township of North Grenville (Geographic Township of South Gower), containing by admeasurement 54 acres and 716 one-thousandths of an acre be the same more or less, and more particularly described as follows:

PREMISING that the bearings mentioned herein are astronomic and are referred to the meridian passing through the most Northerly angle of said Lot 42;

COMMENCING at a standard iron bar planted at the said most Northerly angle of Lot 42;

THENCE South 60 degrees, 32 minutes and 50 seconds West along the established North Westerly boundary of said Lot, a distance of 3,602.27 feet to an iron bar planted at its intersection with the line of an existing fence running in a South-Easterly direction;

THENCE South 29 degrees, 17 minutes and 50 seconds East along the line of the said fence, a distance of 654.15 feet to an iron bar planted at its intersection with the established line between the North and South Halves of said Lot;

THENCE North 60 degrees, 43 minutes and 40 seconds East along the last mentioned established line, a distance of 3,622.35 feet to an iron bar planted at its intersection with the North-Easterly boundary of said Lot;

THENCE North 31 degrees, 1 minute and 40 seconds West along the North-Easterly boundary of said Lot, a distance of 665.74 feet more or less of the place of commencement;

LANDS PREVIOUSLY DESCRIBED IN DEED NO. 13939.

Fourthly: Part of Lot 43, Concession 2, Township of North Grenville (Geographic Township of South Gower), designated as Parts 3 and 4 on Plan 15R-5961, SAVE AND EXCEPT Parts 1 and 2 on Plan 15R-6666;

County of Grenville
Registry Division of Grenville (No. 15)

D. TOWNSHIP OF NORTH DUNDAS lands (Township of Mountain)

Registered Owner: THE MANDERLEY CORPORATION

Legal Description:

Firstly: Part of the west half of Lot 1, Concession 11, Township of North Dundas (Geographic Township of Mountain), designated as Parts 1 and 2 on Plan 8R-2242;

Secondly: All the west half of Lot 1, Concession 12, Township of North Dundas (Geographic Township of Mountain), SAVE AND EXCEPT for all of Part 1 on Plan 8R-569;

Thirdly: All of Lot 2, Concession 12, Township of North Dundas (Geographic Township of Mountain), SAVE AND EXCEPT Part 1 on Plan 8R-134, Parts 1 and 2 on Plan 8R-166 and Part 1 on Plan 8R-2120.

County of Dundas
Registry Division of Dundas (No. 8)

E. CITY OF OTTAWA lands (formerly Township of Osgoode)

Registered Owner: THE MANDERLEY CORPORATION

Legal Description:

Firstly:

PIN 04283-0025 (LT)

Part Lot 42, Broken Front Concession, as in CT246065
being the southeast one-quarter, Subject to CT168703
City of Ottawa (formerly Township of Osgoode)

2ndly:

PIN 04283-0026 (LT)

Part Lot 42, Broken Front Concession, as in CT156894
Except together with therein being the southwest one-quarter
Subject to CT156894
City of Ottawa (formerly Township of Osgoode)

Ottawa
Land Titles Division of Ottawa-Carleton (No. 4)

F. TOWNSHIP OF BLANDFORD-BLENHEIM lands (Princeton)

Registered Owner: THE MANDERLEY CORPORATION

Legal description:

PIN 00278-0043 (R)

North half of Lot 20, Concession 1, Township of Blandford-Blenheim (formerly Township of
Blenheim), County of Oxford

SAVE AND EXCEPT therefrom and thereout that part thereof designated as Part 1, Reference
Plan 41R-919

Registered Owner: 1310500 ONTARIO INC.

Legal Description:

Firstly: PIN 00278-0083 (R)

Part of Lots 20, 21, 22, Concession 1,
In the Municipality of the Township of Blandford-Blenheim in the geographic Township of Blenheim,
County of Oxford, more particularly described as follows:

PREMISING that the bearings herein are astronomical and are referred to the meridian passing through the northeasterly angle of Lot 1 in the first Concession in the Township of East Oxford.

Commencing at the intersection of the northerly limit of Oxford County Road 2 (the former King's Highway 2) as widened by Plan 502A and registered as Instrument 21950 with the limit between said Lots 20 and 21 distant 15.35 feet measured North 15 degrees 13 minutes West along the limit between lots from the southeasterly angle of said Lot 21;

THENCE: South 78 degrees 07 minutes West along the said highway limit a distance of 560.3 feet to a standard iron bar;

THENCE: North 15 degrees 29 minutes 30 seconds West a distance of 158.52 feet;

THENCE: South 78 degrees 07 minutes West a distance of 267 feet;

THENCE: South 9 degrees 24 minutes East a distance of 158.35 feet to a standard iron bar in the said northerly limit of the said Oxford County Road 2;

THENCE: along the said northerly limit of the said Oxford County Road 2 the following courses and distances;

South 78 degrees 07 minutes West, 479.69 feet;

North 11 degrees 53 minutes West, 25 feet;

South 78 degrees 07 minutes West 1048.24 feet; to the easterly limit of Plan 41 R-2972;

THENCE: North 16 degrees 03 minutes West along the said easterly limit a distance of 810.71 feet to the southerly limit of the lands of the Canadian National Railway as described in Registered Instrument SS 5014;

THENCE: Easterly along the said southerly limit of the lands of the Canadian National Railway as described in Registered Instrument SS 5014 to its intersection with the limit between said Lots 20 and 21;

THENCE: Southerly along the said limit between said Lots 20 and 21 to the Point of Commencement.

SAVE AND EXCEPT thereout and therefrom that part of the above-described lands designated as Part 2 on a reference Plan of Survey deposited in the Land Registry Office for the County of Oxford (41) as Plan 41R-3756.

Secondly: PIN 00278-0047 (R)

That Part of the said Lots 20, 21, and 22 designated as Part 1 on a reference Plan of Survey deposited in the Land Registry Office for the County of Oxford (41) on Plan 41R-6310;

TOGETHER WITH a right-of-way over Part 2 on Plan 41R-6310;

TOGETHER WITH all rental payments provided for in instruments registered as numbers A83725 and B5659 for the Oxford County Registry Office which payments are for the use of certain rights-of-way to oil wells as therein set out and such rights-of-way being over, along and upon the hereinbefore described lands and premises;

AND RESERVING AND EXCEPTING thereout all payments from oil rights provided for in said instruments A83725 and B5659.

County of Oxford
Registry Division of Oxford (No. 41)

G. TOWNSHIP OF BURFORD Lands

Registered Owner: LEO BEAL LTD.

Legal description:

PIN 32013-0102 (LT)

Part Lots 7 and 8, Concession 11, Burford as in A234325 AND A229461; S/T A28799, A48236.A69367, BU28721, County of Brant

2. ALBERTA LANDS

TOWNSHIP OF SOUTH SASKATCHEWAN

Registered Owner: THE MANDERLEY CORPORATION

Legal description:

Firstly:

Meridian 4, Range 22, Township 55, Section 26, Quarter South West containing 64.7 hectares, (160 acres) more or less excepting thereout:

- a) 2.97 hectares (7.35 acres) more or less, to the Canadian National Railway Company taken for railway right of way and shown outlined red on Railway Plan 5189NY
- b) 1.07 hectares (2.65 acres) more or less, to the Canadian National Railway Company, taken for extra railway right of way and shown outlined red on Railway Plan 5283NY
- c) 0.539 hectares (1.33 acres) more or less required to extra right of way as shown colored red on Plan 2366RS
- d) all that portion of the said south west quarter described as follows:

commencing at a point on the west boundary of the said quarter section seven hundred and eighty seven and twenty eight hundredths (787.28) feet, northerly from the south west corner thereof;

thence northerly along the west boundary thereof a distance of four hundred (400) feet; thence easterly and at right angles thereto a distance of four hundred and eighteen and forty four hundredths (418.44) feet; thence southerly and parallel to the said west boundary a distance of four hundred (400) feet, thence westerly to the point of commencement, containing 1.55 hectares, (3.84 acres) more or less.

excepting thereout all mines and minerals

Secondly:

Meridian 4, Range 22, Township 55, Section 26, all that portion of the south east quarter lying north and west of the Saskatchewan River as shown on said plan of survey signed at Ottawa on the 2nd day of May, a.d. 1883 containing 36.2 hectare (89.50 acres) more or less excepting thereout all mines and minerals.

SCHEDULE C

ENCUMBRANCES EXPUNGED AND DISCHARGED BY THIS ORDER

(a) **Township of Alfred and Plantagenet lands**

1. Instrument No. 96532 being a Mortgage in favour of Farm Credit Corporation in the original principal amount of \$7,000,000.00 registered May 23, 1997.

(b) **Township of North Stormont lands**

1. Instrument No. 277369 being a Mortgage in favour of Farm Credit Corporation in the original principal amount of \$7,000,000.00 registered May 23, 1997.

(c) **Township of North Grenville lands**

1. Instrument No. 143545 being a Mortgage in favour of Farm Credit Corporation in the original principal amount of \$7,000,000.00 registered on May 23, 1997.
2. Instrument No. 157222 being a Collateral Mortgage in favour of the Bank of Nova Scotia in the principal amount of \$4,000,000.00 registered on June 6, 2000.
3. Instrument No. 161933 being a Postponement Agreement between the Bank of Nova Scotia and Farm Credit Corporation registered on June 1, 2001.

(d) **Township of North Dundas lands**

1. Instrument No. 89707 being a Charge in favour of Farm Credit Corporation in the original principal amount of \$7,000,000.00 registered on May 23, 1997.

2. Instrument No. 97933 being a Collateral Charge in favour of the Bank of Nova Scotia in the original principal amount of \$4,000,000.00 registered on June 6, 2000.
3. Instrument No. 100530 being a Postponement Agreement between the Bank of Nova Scotia and Farm Credit Corporation registered on June 1, 2001.

(e) **City of Ottawa lands**

1. Instrument No. N754839 being a Charge in favour of Farm Credit Corporation in the original principal amount of \$7,000,000.00 registered on May 26, 1997.

(f) **Township of Blanford-Blenheim lands**

Nil

(g) **Township of Burford lands**

Nil

(h) **Alberta lands**

1. Instrument No. 972 148070 being a Mortgage in favour of Farm Credit Corporation in the principal amount of \$7,000,000.00 registered May 27, 1997.

SCHEDULE "D"

ENCUMBRANCES NOT AFFECTED BY THIS ORDER

(a) Township of Alfred and Plantagenet land

1. Instrument No. 107346 being a Mortgage in favour of Farm Credit Corporation in the original principal amount of \$10,000,000.00 registered on June 1, 2001.

(b) Township of North Stormont lands

1. Instrument No. 304176 being a Mortgage in favour of Farm Credit Corporation in the original principal amount of \$10,000,000.00 registered on June 1, 2001.

(c) Township of North Grenville lands

1. Instrument No. 161932 being a Mortgage in favour of Farm Credit Corporation in the original principal amount of \$10,000,000.00 registered on June 1, 2001.

(d) Township of North Dundas lands

1. Instrument No. 100529 being a Charge in favour of Farm Credit Corporation in the original principal amount of \$10,000,000.00 registered on June 1, 2001.

(e) City of Ottawa lands

1. Instrument No. LT 1390295 being a Charge in favour of Farm Credit Corporation in the original principal amount of \$10,000,000.00 registered on June 1, 2001.

(f) Township of Blanford-Blenheim lands

1. Instrument No. 447892 being a Charge in favour of Farm Credit Corporation in the original principal amount of \$10,000,000.00 registered on June 1, 2001.

(g) Township of Burford lands

1. Instrument No. A 519875 being a Charge in favour of Farm Credit Canada in the original principal amount of \$750,000.00 registered on December 14, 2001.

(h) **Alberta lands**

1. Instrument No. 012 166 893 being a Mortgage in favour of Farm Credit Corporation in the principal amount of \$10,000,000.00 registered June 7th, 2001.
2. Instrument No. 012 166 894 being a Caveat regarding Assignments of Rents and Leases in favour of Farm Credit Corporation registered on June 7th, 2001.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF THE MANDERLEY CORPORATION, 1310500 ONTARIO INC., LEO BEAL LTD. AND MANDERLEY NATURAL TURF SYSTEMS INC.

Court File No: 05-CL-5801

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

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Solicitors for Doyle Salewski Inc., Court-appointed Interim Receiver of The Manderley Corporation, 1310500 Ontario Inc., Leo Beal Ltd. and Manderley Natural Turf Systems Inc.