

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

**THE HONOURABLE** ) **MONDAY, THE 20<sup>th</sup>**  
 )  
**JUSTICE OSBORNE** ) **DAY OF JUNE, 2022**

BETWEEN:

**EQUITYLINE MORTGAGE INVESTMENT CORPORATION, EQUITYLINE  
SERVICES CORP., COMPUTERSHARE TRUST COMPANY OF CANADA AND  
ELLE MORTGAGE CORPORATION**

Applicants

and

**2545174 ONTARIO INC.**

Respondent

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by BDO Canada Limited, in its capacity as Court appointed receiver and manager (the "**Receiver**") of 2545174 Ontario Inc. ("**Debtor**" or "**254**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Asset Purchase Agreement**") between the Receiver and 2430609 Ontario Inc. (the "**Purchaser**" which shall include any party the Purchaser may nominate or direct) dated June 15, 2022, and vesting in the Purchaser the right, title, benefit and interest of the Debtor in and to the assets described in the Asset Purchase Agreement (the "**Purchased Assets**"), was heard this day by videoconference as a result of the Covid-19 pandemic.

**ON READING** the Motion Record of the Receiver and the First Report of the Receiver dated June 15, 2022 (the "**First Report**"), the Affidavit of Dominique Michaud sworn June 15,

2022 (the “**Robins Appleby Fee Affidavit**”), the Affidavit of Sean N. Zeitz sworn June 15, 2022 (the “**LZW Fee Affidavit**”) and the Affidavit of Josie Parisi sworn June 15, 2022 (the “**BDO Fee Affidavit**”) and on hearing the submissions of counsel for the Receiver and any such other counsel or individual as were present, no one appearing for any other person on the service list, although properly served as evidenced by the Affidavit of Nyssa Malfara sworn June 16, 2022, filed.

1. **THIS COURT ORDERS** that unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement and the First Report.

2. **THIS COURT ORDERS** that the time for service 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 hereof.

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Asset Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. 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 Purchased Assets.

4. **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 Debtor's right, title, benefit and interest in and to the Purchased Assets described in the Asset Purchase Agreement 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 the Receivership Order dated December 14, 2021; (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 B** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule C**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon the registration in the applicable land registry office or land titles office of a Transfer/Deed of Land or equivalent document, or of an application for registration of this Order in the applicable prescribed form, the applicable land registrar or equivalent official is hereby directed to enter the Purchaser as the owner of the subject 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 B** hereto.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, 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 Purchased Assets

with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to Debtor's past and current employees. 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 which is in all material respects identical to the prior use of such information by Debtor.

9. **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 Purchased Assets in the Purchaser to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Debtor and shall not be void or voidable by creditors of Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable 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.

10. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from Section 6(3) of the *Retail Sales Act* (Ontario).

11. **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.

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

Court File No. CV-21-00673121-00CL

***ONTARIO***

**SUPERIOR COURT OF JUSTICE**

**(COMMERCIAL LIST)**

BETWEEN:

**EQUITYLINE MORTGAGE INVESTMENT CORPORATION, EQUITYLINE SERVICES CORP., COMPUTERSHARE TRUST COMPANY OF CANADA AND ELLE MORTGAGE CORPORATION**

Applicants

and

**2545174 ONTARIO INC.**

Respondent

**RECEIVER'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice McEwen of the Ontario Superior Court of Justice (the "**Court**") dated December 14, 2021, BDO Canada Limited was appointed as receiver and manager (the "**Receiver**") of the assets, undertakings and properties of 2545174 Ontario Inc. ("**254**"), amongst others.

B. Pursuant to an Order of the Court dated June 20, 2022, the Court approved the agreement of purchase and sale made as of June 15, 2022 (the "**Asset Purchase Agreement**") between the Receiver and 2430609 Ontario Inc. (the "**Purchaser**" which shall include any party the Purchaser may nominate or direct) and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser, or whomever

the Purchaser shall nominate or direct, of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets, (ii) that the conditions to closing as set out in the Asset Purchase 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 Asset Purchase Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Asset Purchase Agreement;
2. The conditions to closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, respectively; 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].

**BDO Canada Limited, in its capacity as  
Receiver, and not in its personal capacity**

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

Name:

Title:

**Schedule B**

**PINS: 26304-0209 (LT) and 26304-0055 (LT)**

1. Instrument Number DR1616310 registered on July 14, 2017 is a Transfer from 2399574 Ontario Inc. to 2545174 Ontario Inc.
2. Instrument Number DR1616313 registered on July 14, 2017 is a Notice of Assignment of Rents- Specific in favour of Centurion Mortgage Capital Corporation.
3. Instrument Number DR1616314 registered on July 14, 2017 is a charge in favour of 2399574 Ontario Inc.
4. Instrument Number DR1616315 registered on July 14, 2017 is a Notice of Assignment of Rents- General in favour of 2399574 Ontario Inc.
5. Instrument Number DR1645113 registered on October 6, 2018 is a Transfer of Charge from 2399574 Ontario Inc. in favour of 1299400 Ontario Ltd. and 2399574 Ontario Inc.
6. Instrument Number DR1905422 registered on June 26, 2020 is a Postponement from 1299400 Ontario Ltd. in favour of Computershare Trust Company of Canada.
7. Instrument Number DR1905423 registered on June 26, 2020 is a Postponement from 2399574 Ontario Inc. in favour of Computershare Trust Company of Canada.
8. Instrument Number DR2096792 registered on February 2, 2022 is a Court Order appointing BDO Canada Limited as receiver over 2545174 Ontario Inc.



**Schedule C – Permitted Encumbrances,**

1. The reservations, limitations, provisions and conditions expressed in the original grant from the Crown and all unregistered rights, interests and privileges in favour of the Crown under or pursuant to any applicable statute or regulation.
2. Any subdivision agreement, development agreement, servicing agreement, site plan agreement or any other agreement, document, regulation, subdivision control by-law or other instrument containing provisions relating to the Lands or the use, development, installation of services and utilities or the erection of buildings or other improvements in or on the Lands.
3. All easements, licenses, rights-of-way, watercourses and rights (and all reference plans with respect thereto), whether registered or unregistered, including without limitation those for access or for the installation and maintenance of public and private utilities and other services including without limitation, telephone lines, hydro-electric lines, gas mains, water mains, sewers and drainage and other services or for the maintenance, repair or replacement of any adjoining building or lands, including any cost sharing agreement relating thereto, or any right of re-entry reserved by a predecessor in title.
4. Any restrictive covenants and building restrictions affecting the Lands.
5. Any defects of title or encroachments by or onto the Lands, whether by gardens, fences, trees, buildings, foundations, or other structures or things, which may be revealed by any survey or reference plan of the Lands, whether now in existence or not.
6. Utility agreements, and other similar agreements with Authorities or private or public utilities affecting the Lands.
7. Liens for taxes, local improvements, assessments or governmental charges or levies not at the time due or delinquent.
8. Undetermined, inchoate or statutory liens and charges (including, without limitation, the liens of public utilities, workers, suppliers of materials, contractors, subcontractors, architects and unpaid Receivers of moveable property) incidental to any current operations of the Lands which have not been filed pursuant to any legal requirement or which relate to obligations not yet due or delinquent.
9. Zoning restrictions, restrictions on the use of the Lands or minor irregularities in title thereto.
10. The reservations, limitations, conditions and exceptions to title set out in the *Land Titles Act* (Ontario).
11. Instrument No. DR1615509 is a Notice of Lease in favour of The TDL Group Corp.
12. Reference Plan 40R4158
13. Instrument No. D367182 being an Agreement dated 1991/07/23.

14. Instrument No. D510617 being a By-Law dated 1998/02/25.
15. Instrument No. DR1309858 being a Notice dated 2014/10/23.
16. Instrument No. DR1313832 being a Notice dated 2014/11/05.
17. Reference Plan 40R31396.
18. Instrument Number DR1905389 registered on June 26, 2020 is a Charge in favour of Computershare Trust Company of Canada.
19. Instrument Number DR1905390 registered on June 26, 2020 is a Notice of Assignment of Rents-General in favour of Computershare Trust Company of Canada.
20. Instrument Number DR2071447 registered on November 16, 2021 is a Transfer of Charge from Computershare Trust Company of Canada to Elle Mortgage Corporation and Computershare Trust Company of Canada.

**EQUITYLINE MORTGAGE INVESTMENT** -and-  
**CORPORATION et al.**  
Applicants

**2545174 ONTARIO INC.**

Respondent

Court File No.: CV-21-00673121-00CL

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**SUPERIOR COURT OF JUSTICE**  
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PROCEEDING COMMENCED AT  
**TORONTO**

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**APPROVAL AND VESTING ORDER**

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