

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

THE HONOURABLE MADAM

)

THURSDAY, THE 15<sup>th</sup>

JUSTICE CONWAY

)

DAY OF AUGUST, 2024

)

BETWEEN

**FOREMOST MORTGAGE HOLDING CORPORATION**

Applicant

- and -

**2521311 ONTARIO INC. o.a. TOWNS OF THORNBURY**

Respondent

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of the assets, undertakings and properties of 2521311 Ontario Inc. o.a. Towns of Thornbury (the “**Debtor**”), for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Foremost Mortgage Holding Corporation, as purchaser, dated August 8, 2024 (the “**Sale Agreement**”), and assigned to Louisa Street GP Inc., general partner for the limited partnership Louisa Street Limited Partnership (the “**Purchaser**”) and vesting in the Purchaser the Purchased Assets (as defined in the Sale Agreement), was heard this day.

**ON READING** the Receiver's Report to the Court and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Danny Nunes sworn August 9 and 14, 2024, filed,

**SERVICE**

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.

**SALE APPROVAL**

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale 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 to the Purchaser.

3. **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 the Purchased Assets described in the Sale Agreement, including, without limitation, all of the Debtor's right, title and interest in and to the real property listed on **Schedule "B"** hereto (the "**Real Property**"), 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 Orders of The Honourable Justice Cavanagh made on December 19, 2023 and February 5, 2024; (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 "C"** 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 "D"**) 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.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject Real Property identified in **Schedule "B"** hereto in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims and Court Orders listed in **Schedule "C"** hereto.

4. **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.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

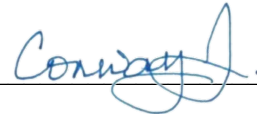
6. **THIS COURT ORDERS** that, notwithstanding:

- (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 pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of any of the 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.

7. **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.

8. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read 'Conway J.', is written above a horizontal line.

**Schedule “A” (AVO) – Form of Receiver’s Certificate**

Court File No. CV-23-00710990-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN

**FOREMOST MORTGAGE HOLDING CORPORATION**

Applicant

- and -

**2521311 ONTARIO INC. o.a. TOWNS OF THORNBURY**

Respondent

**RECEIVER’S CERTIFICATE**

**WHEREAS** pursuant to an Order of The Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on February 5, 2024, KSV Restructuring Inc. was appointed as receiver and manager (in such capacity, the “**Receiver**”), without security, of the assets, undertakings and properties of 2521311 Ontario Inc o.a. Towns of Thornbury (the “**Debtor**”).

**AND WHEREAS** pursuant to an Order of the Court dated August 15, 2024, the Court approved the agreement of purchase and sale dated August 8, 2024 between the Receiver, as vendor, and Foremost Mortgage Holding Corporation, whose right, title and interest was assigned to Louisa Street GP Inc., general partner for the limited partnership Louisa Street Limited Partnership (the

“Purchaser”) (the “Sale Agreement”), and provided for the vesting in the Purchaser of the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser 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 Sale 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.

**AND WHEREAS** unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**NOW THEREFORE 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 Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**KSV RESTRUCTURING INC.**, solely in its capacity as the Court-appointed receiver and manager of the Debtor, and not in its personal capacity or in any other capacity

Per:

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Name: Bobby Kofman

Title: President



**Schedule “B” (AVO) – Real Property**

Legal Description: PT PARKLT 10 SW/S LOUISA ST PL THORNBURY PT 1 PLAN 16R11036;  
THE BLUE MOUNTAINS; SUBJECT TO AN EASEMENT AS IN GY204785  
(being all of PIN 37132-0173 (LT))

**Schedule “C” (AVO) – Instruments to Be Deleted from Title**

<b>Reg. No.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Amount</b>	<b>Parties From</b>	<b>Parties To</b>
GY144566	2017/09/29	Transfer	\$460,000	Hutton, Margaret Joan	2521311 Ontario Inc.
GY192228	2020/09/18	Charge	\$9,846,000	2521311 Ontario Inc.	Foremost Mortgage Holding Corporation
GY192229	2020/09/18	No Sec Interest	\$9,846,000	Foremost Mortgage Holding Corporation	
GY195710	2020/11/16	Postponement		Foremost Mortgage Holding Corporation	The Corporation of the Town of the Blue Mountains
GY195711	2020/11/16	Postponement		Foremost Mortgage Holding Corporation	The Corporation of the Town of the Blue Mountains
GY197077	2020/12/08	Charge	\$1,679,000	2521311 Ontario Inc.	Berkley Insurance Company
GY239995	2023/02/017	Charge	\$1,000,000	2521311 Ontario Inc.	Cruz, Jose
GY243925	2023/06/08	Postponement		Cruz, Jose	Foremost Mortgage Holding Corporation
GY245844	2023/07/25	Certificate		Ecostar Insulation	Ecostar Insulation
GY245979	2023/07/27	Certificate		Toromont Industries Ltd.	
GY251628	2023/12/06	Construction Lien	\$71,634	Cooper Equipment Rentals Limited	
GY252134	2023/12/18	Construction Lien	\$224,873	Weatherhall Enterprises Ltd.	
GY252140	2023/12/18	Certificate		Weatherhall Enterprises Ltd.	2521311 Ontario Inc. Foremost Mortgage Holding Corporation Berkley Insurance Company Cruz, Jose
GY252530	2023/12/28	APL Court Order		Ontario Superior Court of Justice	KSV Restructuring Inc.
GY253889	2024/02/12	APL Court Order		Ontario Superior Court of Justice	KSV Restructuring Inc.
GY254633	2024/03/04	Certificate		Cooper Equipment Rentals Limited	Ontario Superior Court of Justice
GY255908	2024/04/10	Construction Lien	\$285,369	KFA Architects Inc.	
GY256210	2024/04/18	Certificate		KFA Architects Inc.	2521311 Ontario Inc. Foremost Mortgage Holding Corporation Berkley Insurance Company Cruz, Jose

### Schedule “D” (AVO) – Permitted Encumbrances

1. any registered reservations, restrictions, rights of way, easements or covenants that run with the lands;
2. any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service;
3. all Applicable Laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the lands;
4. any minor easements for the supply of utility service to the Lands or adjacent properties;
5. encroachments disclosed by any errors or omissions in existing surveys of the lands or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-laws or any other Applicable Law, by-laws or regulations which might be disclosed by a more up-to-date survey of the land and survey matters generally;
6. the exceptions and qualifications set forth in the *Land Titles Act* (Ontario);
7. the reservations contained in the original grant from the Crown; and
8. liens for taxes if such taxes are not due and payable;
9. the following specific instruments:

<b>Reg. No.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Amount</b>	<b>Parties From</b>	<b>Parties To</b>
16R11036	2018/05/01	Plan Reference			
GY153524	2018/05/01	APL Absolute Title		2521311 Ontario Inc.	
GY195656	2020/11/16	Notice		2521311 Ontario Inc.	The Corporation of the Town of the Blue Mountains
GY204785	2021/04/29	Transfer Easement	\$2	2521311 Ontario Inc.	Rogers Communications Inc.

Court File No.: CV-23-00710990-00CL

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(Applicant)**

**2521311 ONTARIO INC. O.A. TOWNS OF THORNBURY  
(Respondent)**

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

PROCEEDINGS COMMENCED AT TORONTO

**APPROVAL AND VESTING ORDER**

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**Lawyers for the Receiver**