



Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.)

JUSTICE HAINEY)

THURSDAY, THE 2ND ³⁰⁰

DAY OF APRIL 2020

BETWEEN:

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY
GATE MORTGAGE INVESTMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LIMITED

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by GRANT THORNTON LIMITED in its capacity as the Court-appointed receiver (the "**Receiver**") over the property municipally known as 293 Euclid Avenue, Toronto, Ontario and listed on **Schedule B** hereto (the "**Property**"), for an order, among other things:

1. approving certain corrects to instruments registered against title to the Property;
2. approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale dated January 16, 2020 (the "**Sale Agreement**") between the Receiver and Philip Huang appended to the First Report of the Receiver dated March 25, 2020 (the "**Report**");
3. vesting, as directed by Philip Huang, in Thousand Steps Real Estate Inc. (the "**Purchaser**"), the right, title and interest of the owner of the Property (the "**Owner**") in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

4. sealing the confidential appendices to the Report until the closing of the Transaction or until further order of the Court;
5. authorizing distributions of net sale proceeds from the sale of the Property; and
6. discharging the Receiver,

was heard this day at via telephone conference.

ON READING the Report and on hearing the submissions of counsel for the Receiver, and such other parties as appearing at the hearing via telephone conference as reflected in the Endorsement of the judge hearing the motion:

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
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 Owner's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto 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 Order of the Honourable Justice Penny dated November 25, 2019; (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.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Metro Toronto (No. 80) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the Property in fee simple, and is hereby directed to delete and expunge from title to the Property all of the Claims listed in Schedule C hereto.

5. **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.

6. **THIS COURT ORDERS** that, after receiving a final security opinion from Dentons LLP, the Receiver is authorized to distribute the net sale proceeds from the sale of the Purchased Assets as follows:

- (a) First to Home Trust Company up to the full amount owing under its mortgage against the Property;
- (b) Second to the Receiver for payment of fees and disbursements of the Receiver and its legal counsel; and
- (c) Third to Grant Thornton Limited in its capacity as the court-appointed receiver of Money Gate Mortgage Investment Corporation up to the full amount owing under its mortgage against the Property.

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

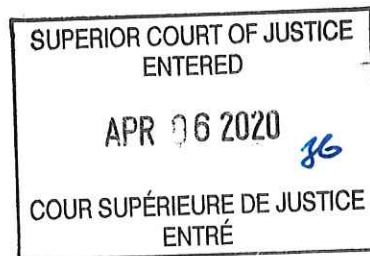
8. **THIS COURT ORDERS** that, notwithstanding:

- (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 Owner and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Owner;

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 Owner and shall not be void or voidable by creditors of the Owner, 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.

9. **THIS COURT ORDERS** that the Confidential Appendices to the Report be and hereby are sealed pending the closing of the Transaction or an order of this Court.

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.



Schedule A – Form of Receiver's Certificate

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Applicant

-and-

2450531 ONTARIO LIMITED

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (the "**Court**") dated November 25, 2020, as amended, Grant Thornton Limited was appointed as the Receiver (the "**Receiver**") of the property municipally known as 293 Euclid Avenue, Toronto, Ontario (the "**Property**").

dated January 16, 2020 (the "**Sale Agreement**") between the Receiver and Philip Huang (the "**Purchaser**")

B. Pursuant to an Order of the Court dated April 2, 2020, the Court approved the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale made as of January 16, 2020 (the "**Sale Agreement**") between the Receiver and Philip Huang and provided for the vesting in Thousand Steps Real Estate Inc. (the "**Purchaser**") of the right, title and interest in and to the purchased assets described in the Sale Agreement (the "**Purchased Assets**"), 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 (as defined in the Sale Agreement) 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.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale 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 closing 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; 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].

**GRANT THORNTON LIMITED, in its
capacity as Receiver over the property
municipally known as 293 Euclid Avenue,
Toronto, Ontario, and not in its personal
capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets

PIN: 21249-0077

PT LT 108 PL 314 TORONTO AS IN CA758318; CITY OF TORONTO

Schedule C – Claims to be deleted and expunged from title to Real Property

1. Instrument No. AT3832218 registered on March 13, 2015, being a Transfer from Kerri Ann Macaulay to 2450531 Ontario Inc. (as amended);
2. Instrument No. AT3999558 registered on September 2, 2015, being a Transfer of Charge from Money Gate MIC to Money Gate MIC and 2418047 Ontario Inc.;
3. Instrument No AT4329958 registered on September 1, 2016, being a Charge/Mortgage of Land granted in favour of Home Trust Company;
4. Instrument No. AT4353622 registered on September 27, 2016, being a Charge/Mortgage of Land granted in favour of Money Gate Mortgage Investment Corporation;
5. Instrument No. AT4526574 registered on March 31, 2017, being a Caution on Land in favour of Bitu Ghaffari;
6. Instrument No. AT5004195 registered on November 9, 2018, being an Application to Register Court Order by Grant Thornton Limited; and
7. Instrument No. AT5009854 registered on November 16, 2018, being a Certificate of Direction in favour of the Ontario Securities Commission.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

- (a) Any reservations, restrictions, rights of way, easements or covenants that run with the land, to the extent such reservations, restrictions, rights of way, easements or covenants are preserved by Section 44 of the *Land Titles Act* (Ontario);
- (b) The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
- (c) Any registered or unregistered easements or rights of way in favour of any governmental authority or public utility provided that none of the foregoing interfere in any material adverse respect with the current use of the Property;
- (d) liens for real property taxes and assessments, and charges for water and other public services and utilities, all that have accrued but are not yet due and owing or, if due and owing, are adjusted for on closing;
- (e) All agreements and easements, registered or otherwise, for utilities and services for hydro, water, heat, power, sewer, drainage, cable and telephone serving the Property, adjacent or neighbouring properties, provided none of the foregoing interfere in any material adverse respect with the current use of the Property;
- (f) Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property provided that in either case same do not materially adversely impair the use, operation, or marketability of the Property;
- (g) Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
- (h) Any breaches of any Applicable Laws, including work orders and deficiency notices;
- (i) Any subdivision agreements, site plan agreements, developments and any other agreements with the Municipality, Region, publicly regulated utilities or other governmental authorities having jurisdiction; and
- (j) Minor title defects, if any, that do not in the aggregate materially affect the use of the Property for the purposes for which it is used on the date of this Order.

GRANT THORNTON LIMITED
Applicant

-and- 2450531 ONTARIO LIMITED
Respondent

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

ORDER

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