

Court File No. CV-17-11670-00CL  
Court File No. CV-16-11567-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE  
JUSTICE *Myers*

)  
)  
)  
MONDAY, THE 10TH  
DAY OF APRIL, 2017

**BETWEEN:**

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

- and -

**VAUGHAN CROSSINGS INC.**

Respondent

- AND -

**BETWEEN:**

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

Applicant

- and -

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE  
CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET)  
TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK)  
TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE  
(KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK  
STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718  
CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK  
STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and  
HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

Respondents

**APPLICATION UNDER SECTION 37 OF THE  
MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT, 2006, S.O. 2006,  
c. 29 and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43**

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by Ira Smith Trustee & Receiver Inc., in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all of the assets and undertakings of the Lands (as described in the Order appointing the Receiver of the Honourable Justice Conway dated February 14, 2017 (the "**Vaughan Crossings Receivership Order**")) and of all plans, permits, agreements, improvements and other personal property owned by Vaughan Crossings Inc. (the "**Debtor**") and relating to the Lands or the development and sale thereof (together with the Lands, the "**Property**"), for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale, as amended, amongst the Receiver, Scollard Trustee Corporation ("**STC**") and STC in trust for a corporation to be formed ("**STC In Trust**") dated March 23, 2017 (the "**Sale Agreement**"), copies of which are attached as Exhibits "E" and "I" to the Report of the Receiver dated April 3, 2017 (the "**Receiver's First Report**"), and vesting in 2569880 Ontario Limited (the "**Purchaser**") the Debtor's right, title and interest in and to the property described as the "Real Property" in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Receiver's First Report and appendices thereto, and on reading the Fifth Report of Grant Thornton Limited ("**GTL**"), in its capacity as the Court-appointed trustee (in such capacity, the "**Trustee**"), without security, of all of the named Respondents in Court File No. CV-16-11567-00CL (the "**Tier 1 Trustee Corporations**"), dated January 23, 2017 and the Supplement to the Fifth Report of the Trustee dated April 4, 2017 (collectively, the "**Trustee's Reports**"), and on hearing the submissions of counsel for the Receiver, counsel for the Trustee 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 Karen Sampson and Susy Moniz sworn, respectively, April 5, 2017 and April 4, 2017, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement and the Additional Documents (as defined herein) is hereby authorized and approved, with such minor amendments as the Receiver and the Trustee may deem necessary. The Receiver and the Trustee, as applicable, are hereby authorized and directed to take such additional steps and execute or arrange for the execution of 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 (collectively, the “**Additional Documents**”). Without limiting the generality of the foregoing, the following Additional Documents be and are hereby approved:




- (a) the quit claims, releases and acknowledgments executed by each of Vector Financial Services Limited (“**Vector**”), TriAxis Construction Limited (“**TCL**”), Sora Construction Ltd. (“**Sora**”), Kohn Partnership Architects Inc. (“**Kohn**”), 2388208 Ontario Incorporated (“**238**”), Breakwall Financial Corp. (“**Breakwall**”), Chaitons LLP (“**Chaitons**”) and Tier 1 Transaction Advisory Services Inc. (“**Tier 1**”), as appended to the Receiver’s First Report and with such minor amendments as the Receiver and the Trustee may deem necessary (collectively, the “**Quit Claims**”);
- (b) the release of claims by STC, as appended to the Trustee’s Report and with such minor amendments as the Receiver and the Trustee may deem necessary;

- (c) the commitment letter amongst STC, Downing Street Financial Inc., in Trust (the “Lender”) and Downing Street Financial Inc. (together with the Lender, “Downing Street”), as appended to the Trustee’s Report and with such minor amendments as the Receiver and the Trustee may deem necessary;
- (d) the assignment of purchase agreement between STC In Trust and Downing Street, as appended to the Receiver’s First Report and with such minor amendments as the Receiver and the Trustee may deem necessary;
- (e) the development management agreement amongst STC In Trust, 2514778 Ontario Inc., TriAxis Development Corporation, Breakwall and Vector, as appended to the Trustee’s Report and with such minor amendments as the Receiver and the Trustee may deem necessary; and
- (f) the unanimous shareholder agreement, as appended to the Trustee’s Report and with such minor amendments as the Trustee may deem necessary (the “Unanimous Shareholder Agreement”).

2. **THIS COURT ORDERS AND DECLARES** that any and all references in the Quit Claims to the date of April 18, 2017 be and are hereby replaced with the date that is the later of: (i) April 19, 2017; and (ii) the date that is two weeks following the date of this Order.

3. **THIS COURT ORDERS AND DECLARES** that the Investors in the Vaughan Crossings SMI (as both terms are defined in the Trustee’s Reports) shall, upon closing of the Transaction, be bound by the Unanimous Shareholders Agreement.

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 the Debtor'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 Newbould dated October 27, 2016 appointing Grant Thornton Limited as the Trustee of STC and other entities; (ii) any encumbrances or charges created by the Vaughan Crossings Receivership Order; (iii) 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 (iv) 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.



5. **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 (the "**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 "C"** hereto

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, and subject to the Quit Claims and paragraph 7 of this Order, 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 DECLARES** that, provided the Transaction closes:

- (a) Sora, upon its receipt of the sum of \$1,646,633 from the Purchase Price, shall consent to the dismissal, without costs, of the action commenced by it in the Ontario Superior Court of Justice bearing court file number CV-16-125767-00 as against all defendants therein except for the Debtor;
- (b) TCL, upon its receipt of the sum of \$182,655 from the Purchase Price, shall consent to the dismissal, without costs, of the action commenced by it in the Ontario Superior Court of Justice bearing court file number CV-16-125848-00 as against all defendants therein except for the Debtor;

- (c) Kohn, upon its receipt of the sum of \$170,712 from the Purchase Price, shall consent to the dismissal, without costs, of the action commenced by it in the Ontario Superior Court of Justice bearing court file number CV-16-126181-00 as against all defendants therein except for the Debtor; and
- (d) 238, upon its receipt of the sum of \$50,000.00 from the Purchase Price, shall consent to the dismissal, without costs, of the action commenced by it in the Ontario Superior Court of Justice bearing court file number CV-16-126023-00 as against all defendants therein except for the Debtor.

8. **THIS COURT ORDERS** that any and all past, present and future claims and potential claims of Olympia Trust Company ("OTC") and its directors, officers, shareholders, investors, successors and assigns, and all such claims of the investors or beneficial owners and their successors and assigns for whom OTC acts as nominee or trustee, and which relate to the Real Property and/or the indebtedness owed to Vector under the instruments in favour of Vector registered on title to the Real Property immediately prior to the effectiveness of this Order, be and are hereby fully and forever released and discharged as against Vector.

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

10. **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

Debtor's records pertaining to the Debtor's past 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 the Debtor.

11. **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 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.

 ✓ 12. ~~THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the Bulk Sales Act (Ontario).~~ ✓ 



13. **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.



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

APR 10 2017

PER / PAR: 

**Schedule "A" – Form of Receiver's Certificate**

Court File No. CV-17-11670-00CL

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**ONTARIO  
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COMMERCIAL LIST**

**BETWEEN:**

**VECTOR FINANCIAL SERVICES LIMITED**

**Applicant**

**- and -**

**VAUGHAN CROSSINGS INC.**

**Respondent**

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**BETWEEN:**

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

**Applicant**

**- and -**

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION, 2223947 ONTARIO LIMITED, MC TRUSTEE (KITCHENER) LTD., SCOLLARD TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION, 7743718 CANADA INC., KEELE MEDICAL TRUSTEE CORPORATION, TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION and HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION**

**Respondents**

**APPLICATION UNDER SECTION 37 OF THE  
MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT, 2006, S.O. 2006,  
c. 29 and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43**

**RECEIVER'S CERTIFICATE**

## RECITALS

- I. Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated February 14, 2017 (the "**Vaughan Crossings Receivership Order**"), Ira Smith Trustee & Receiver Inc. ("**ISTR**") was appointed as receiver (in such capacity, the "**Receiver**"), without security, of all of the assets and undertakings of the Lands (as described in the Vaughan Crossings Receivership Order) and of all plans, permits, agreements, improvements and other personal property owned by Vaughan Crossings Inc. (the "**Debtor**") and relating to the Lands or the development and sale thereof (together with the Lands, the "**Property**").
- II. Pursuant to an Order of the Court dated April 10, 2017 (the "**AVO**"), the Court approved the agreement of purchase and sale, as amended, between the Receiver, Scollard Trustee Corporation ("**STC**") and STC in trust for a corporation to be formed dated March 22, 2017 (the "**Sale Agreement**"), and provided for the vesting in 2569880 Ontario Limited (the "**Purchaser**") of all the Debtor's right, title and interest in and to the Purchased Assets (as defined in the AVO), 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.
- III. 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 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].

**IRA SMITH TRUSTEE & RECEIVER INC.,**  
solely in its capacity as the Receiver, and not in its  
personal capacity or in any other capacity

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

Name:

Title:

**SCHEDULE "B"**  
**LEGAL DESCRIPTION OF THE REAL PROPERTY**

**Firstly**

PT LT 24 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PTS 10 & 11  
64R7307 EXCEPT PT 1 EXPROP PL R650078; S/T VA84766 ASSIGNED BY  
R312155; VAUGHAN

PIN 03274-0103 (LT)

**Secondly**

PT LT 25 REGISTRAR'S COMPILED PLAN 10309 VAUGHAN PT 1,  
65R14039; VAUGHAN

PIN 03274-0104 (LT)

**SCHEDULE "C"**  
**INSTRUMENTS TO BE DELETED FROM TITLE TO PROPERTY**

**1. Firstly: PIN 03274-0103 (LT)**

- (a) Instrument No. YR1048381 being a Transfer registered September 4, 2007 in favour of Vaughan Crossings Inc.
- (b) Instrument No. YR2048941 being a Charge registered October 18, 2013 in favour of Scollard Trustee Corporation.
- (c) Instrument No. YR2048949 being a Notice of Assignment of Rents - General registered October 18, 2013 in favour of Scollard Trustee Corporation.
- (d) Instrument No. YR2049132 being a Transfer of Charge registered October 18, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
- (e) Instrument No. YR2060284 being a Transfer of Charge registered November 14, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
- (f) Instrument No. YR2078550 being a Transfer of Charge registered December 24, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
- (g) Instrument No. YR2092552 being a Charge registered February 6, 2014 in favour of Vector Financial Services Limited.
- (h) Instrument No. YR2092553 being a Notice of Assignment of Rents - General registered February 6, 2014 in favour of Vector Financial Services Limited.
- (i) Instrument No. YR2092569 being a Postponement registered February 6, 2014.
- (j) Instrument No. YR2415393 being a Construction Lien registered January 13, 2016 in favour of Sora Construction Ltd.
- (k) Instrument No. YR2422509 being a Construction Lien registered January 28, 2016 in favour of Triaxis Construction Limited.
- (l) Instrument No. YR2423085 being a Construction Lien registered January 28, 2016 in favour of in favour of Kohn Partnership Architects Inc.
- (m) Instrument No. YR2427861 being a Construction Lien registered February 8, 2016 in favour of in favour of 2388208 Ontario Incorporated.
- (n) Instrument No. YR2436540 being a Certificate registered February 29, 2016 in favour of Sora Construction Ltd.

- (o) Instrument No. YR2439974 being a Certificate registered March 7, 2016 in favour of Triaxis Construction Limited.
- (p) Instrument No. YR2445729 being a Certificate registered March 18, 2016 in favour of 2388208 Ontario Incorporated.
- (q) Instrument No. YR2452308 being a Certificate registered April 1, 2016 in favour of Kohn Partnership Architects Inc.
- (r) Instrument No. YR2572906 being an Application to Register Court Order registered on November 3, 2016 in favour of Grant Thornton Limited.

2. Secondly: PIN 03274-0104 (LT)

- (a) Instrument No. YR972923 being a Transfer registered April 17, 2007 in favour of Vaughan Crossings Inc.
- (b) Instrument No. YR2048941 being a Charge registered October 18, 2013 in favour of Scollard Trustee Corporation.
- (c) Instrument No. YR2048949 being a Notice of Assignment of Rents - General registered October 18, 2013 in favour of Scollard Trustee Corporation.
- (d) Instrument No. YR2049132 being a Transfer of Charge registered October 18, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
- (e) Instrument No. YR2060284 being a Transfer of Charge registered November 14, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
- (f) Instrument No. YR2078550 being a Transfer of Charge registered December 24, 2013 in favour of Olympia Trust Company and Scollard Trustee Corporation.
- (g) Instrument No. YR2092552 being a Charge registered February 6, 2014 in favour of Vector Financial Services Limited.
- (h) Instrument No. YR2092553 being a Notice of Assignment of Rents - General registered February 6, 2014 in favour of Vector Financial Services Limited.
- (i) Instrument No. YR2092569 being a Postponement registered February 6, 2014.
- (j) Instrument No. YR2415393 being a Construction Lien registered January 13, 2016 in favour of Sora Construction Ltd.
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- (l) Instrument No. YR2423085 being a Construction Lien registered January 28, 2016 in favour of in favour of Kohn Partnership Architects Inc.
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- (q) Instrument No. YR2452308 being a Certificate registered April 1, 2016 in favour of Kohn Partnership Architects Inc.
- (r) Instrument No. YR2572906 being an Application to Register Court Order registered on November 3, 2016 in favour of Grant Thornton Limited.



**SCHEDULE "D"**  
**PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS**

1. Firstly: PIN 03274-0103 (LT)
  - (a) Instrument No. 64R7307 being a Plan of Reference registered December 1, 1978.
  - (b) Instrument No. VA84766 being a Transfer Easement registered March 13, 1980 in favour of Ministry of Government Services.
  - (c) Instrument No. R312155 being an Assignment General registered March 23, 1983.
  - (d) Instrument No. 65R11525 being a being a Plan of Reference registered February 3, 1988.
2. Secondly: PIN 03274-0104 (LT)
  - (a) Instrument No. 64R7307 being a Plan of Reference registered December 1, 1978.
  - (b) Instrument No. 65R11525 being a being a Plan of Reference registered February 3, 1988.
  - (c) Instrument No. 65R14039 being a being a Plan of Reference registered February 2, 1990.

**VECTOR FINANCIAL SERVICES LIMITED**

Applicant

-and-

**VAUGHAN CROSSINGS INC.**

Respondent

Court File No. CV-17-11670-00CL

**THE SUPERINTENDENT OF FINANCIAL SERVICES**

-and-

**TEXTBOOK STUDENT SUITES (525 PRINCESS STREET)  
TRUSTEE CORPORATION, et al.**

Applicant

Respondents

Court File No. CV-16-11567-00CL

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

Proceedings commenced at Toronto

**APPROVAL AND VESTING ORDER**

**STEINBERG TITLE HOPE & ISRAEL LLP**

Barristers and Solicitors  
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Toronto, ON M2N 6P4

**David A. Brooker (LSUC # 35787W)**

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*Lawyers for the Receiver*