

Court File No. CV- 24-00098058-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

THURSDAY, THE 7th

JUSTICE MEW

)

DAY OF AUGUST, 2025

)

IN THE MATTER OF SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C 1985, C. B-3, AS AMENDED AND SECTION
101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43, AS
AMENDED

AND IN THE MATTER OF THE APPOINTMENT OF A RECEIVER
OVER THE PROPERTY, ASSETS AND UNDERTAKING OF 2067166
ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA
PROMENADE INC., 2195186 ONTARIO INC., 1384274 ONTARIO INC. AND
1019883 ONTARIO INC.

**APPROVAL AND VESTING ORDER
(2195186 ONTARIO INC.)**

THIS MOTION made by KSV Restructuring Inc. in its capacity as receiver and manager (in such capacity, the “**Receiver**”), without security, of the real property listed on Schedule “B” hereto (the “**Real Property**”) and all of the other assets, undertakings and properties of the Respondent 2195186 Ontario Inc. (the “**Debtor**”), and all proceeds thereof (together with the Real Property, the “**Property**”), for an Order, *inter alia*, (i) approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale dated February 21, 2025, as amended (the “**Sale Agreement**”), between the Receiver, as vendor, and HS Canada 101 Champagne, L.P., by its general partner, HS Canada 101 Champagne GP Inc., as purchaser (collectively, including HS Canada 101 Champagne Property Inc., the “**Purchaser**”) and vesting in the Purchaser all right, title and interest of the Debtor in and to the Assets (as defined in the Sale

Agreement, and collectively with the Real Property, the “**Purchased Assets**”); (ii) authorizing the Receiver to disclaim contracts entered into between the Debtor and its vendors or suppliers relating to the Real Property or the Purchased Assets; and (iii) sealing the reporting letter of CMLS Realty Ltd. (the “**CMLS Report**”) attached as Confidential Appendix “1” to the Fourth Report of the Receiver dated July 23, 2025 (the “**Fourth Report**”), and the unredacted Sale Agreement (and related amendments) attached as Confidential Appendix “2” to the Fourth Report, until the earlier of (a) 30 days following the closing of the Transaction, and (b) until further Order of the Court, was heard this day by way of Zoom videoconference.

ON READING the Fourth Report and the appendices thereto, and the Supplement to the Fourth Report dated July 31, 2025 (the “**Supplemental Report**”), and upon hearing submissions of counsel for (i) the Receiver; (ii) Peoples Trust Company (“**Peoples**”); (iii) ACM Advisors Ltd. (“**ACM**”); (iv) the Debtor; (v) the Purchaser; and (vi) all other parties set out in the attendance sheet for this motion, and no one else appearing although duly served as set out in the affidavits of service of Chad Kopach sworn July 24, 2025 and August 6, 2025, and the affidavit of service of Eric Golden sworn July 29, 2025, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Receiver’s Notice of Motion dated July 23, 2025 (the “**NOM**”), the related motion material filed in support of that NOM, including the Receiver’s Motion Record dated July 23, 2025, the Receiver’s Confidential Motion Record dated July 23, 2025 and the Supplemental Report (collectively, the “**Motion Material**”), be and is hereby abridged, that service of the NOM and the Motion Material is hereby validated, and that further service thereof is hereby dispensed with.

APPROVAL AND VESTING

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, with the agreement of the Purchaser, Peoples and ACM, 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 Debtor's right, title and interest in and to the Purchased Assets, including, without limitation, the Real Property 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, constructive, statutory, or otherwise), liens (whether contractual, constructive, statutory, or otherwise), executions, levies, charges, or other claims, liabilities or interests of any nature or kind, 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 encumbrance or charge created by the Order (Appointing Receiver) of Justice Mew dated February 24, 2025, the Order (Appointing Interim Receiver) of Justice Mew dated December 20, 2024, and issued January 3, 2025, the Initial Order of Justice Mew dated December 5, 2024, made in the *Companies' Creditors Arrangement Act* proceedings of the Debtor and certain related entities (Court File No. CV-24-00098058-0000) (the "**CCAA Proceedings**"), or any other Order granted in the within proceedings, the prior interim receivership

proceedings or the CCAA Proceedings; (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; (iii) all mortgages, pledges, charges, liens, debentures, trust deeds, assignments by way of security (including assignments of rent), security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, the Purchased Assets (including the Real Property) or any part thereof or interest therein, (iv) any agreements, leases (excluding the lease of any Residential Tenant (as such term is defined in the Settlement Agreement Approval and Increased Funding Order (2195186 Ontario Inc.) of this Court dated August 1, 2025 (the “**Settlement Approval Order**”))) who does not enter into a Settlement Agreement (as defined in the Settlement Approval Order), and excluding the lease for the commercial unit at the Real Property between the Debtor and 13492575 Canada Inc. (o/a Safi Fine Food) dated January 6, 2022), options, rights of first refusal, easements, rights of way, restrictions, executions, or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting legal or beneficial title to the Purchased Assets or any part thereof or interest therein, including but not limited to any of the foregoing which are registered on title to the Real Property on or following the date hereof but prior to the registration in the Land Registry Office for the Land Titles Division of Ottawa (No.4) of an Application for Vesting Order to which this Order is attached; and (v) 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”**, including the first-mortgage over the Real Property of Peoples (the “**Peoples Mortgage**”), and the second-mortgage over the Real Property of Computershare Trust Company of Canada, as titleholder for the benefit of ACM CMF Services Ltd., as trustee for ACM

Commercial Mortgage Fund (the “**ACM Mortgage**”, and collectively with the Peoples Mortgage, the “**Assumed Mortgages**”), which Assumed Mortgages are being assumed by the Purchaser pursuant to the terms of the Transaction) and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that for greater certainty, the Assumed Mortgages and all the security granted in connection therewith shall not be terminated, vested out or otherwise affected by this Order and shall continue to attach to the Real Property and/or the Purchased Assets in accordance with their existing priority.

5. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Ottawa (No. 4) 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 HS Canada 101 Champagne Property Inc. 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 listed in **Schedule “C”** 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 any personal information in the Debtor's records to the extent relating to the Purchased Assets. 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.

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 (whether prior to, on or following the closing of the Transaction),

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.

TERMINATION AND DISCLAIMER OF VENDOR AND SUPPLIER AGREEMENTS

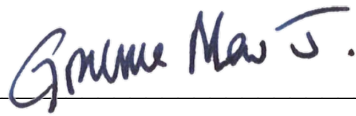
10. **THIS COURT ORDERS** that the Receiver is hereby authorized, prior to, on or following closing of the Transaction, to terminate and disclaim all of the existing contracts and agreements with any vendor and/or supplier of the Debtor with respect to the Real Property and the Purchased Assets and, upon delivery of the Receiver's Certificate to the Purchaser in accordance with this Order, any Claims or liabilities thereunder or relating thereto shall be vested out as against the Real Property pursuant to paragraph 3 hereof and such contracts and agreements and any Claims or liabilities thereunder or relating thereto shall not be binding on, or otherwise constitute a liability of, the Purchaser in any way whatsoever.

SEALING AND GENERAL

11. **THIS COURT ORDERS** that the CMLS Report attached as Confidential Appendix "1" and the Sale Agreement attached as Confidential Appendix "2" to the Fourth Report, shall be and are hereby sealed, kept confidential and shall not form part of the public record until the earlier of (a) 30 days following the closing of the Transaction, and (b) further Order of this Court.

12. **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.

13. **THIS COURT ORDERS** that this Order is effective from 12:01am (Ottawa time) on today's date and is enforceable without the need for entry and filing.



Mew J.

Issuance on August 8, 2025

Schedule “A” – Form of Receiver’s Certificate

Court File No. CV- 24-00098058-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF SUBSECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C 1985, C. B-3, AS AMENDED AND SECTION
101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43, AS
AMENDED

AND IN THE MATTER OF THE APPOINTMENT OF A RECEIVER
OVER THE PROPERTY, ASSETS AND UNDERTAKING OF 2067166
ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA
PROMENADE INC., 2195186 ONTARIO INC., 1384274 ONTARIO INC. AND
1019883 ONTARIO INC.

**RECEIVER’S CERTIFICATE
(2195186 ONTARIO INC.)**

RECITALS

I. Pursuant to Order of The Honourable Mr. Justice Mew of the Ontario Superior Court of Justice (the “**Court**”) dated December 20, 2024 and issued January 3, 2025 (the “**Interim Receivership Order**”), KSV Restructuring Inc. was appointed as interim receiver and manager (in such capacity, the “**Interim Receiver**”), without security, of the real property listed in the Sale Agreement (as defined below) (the “**Real Property**”) and all the other assets, undertakings and properties of 2195186 Ontario Inc., and all proceeds thereof (together with the Real Property, the “**Property**”), and pursuant to the Order of The Honourable Mr. Justice Mew made on February 24, 2025, (the “**Receivership Order**”), KSV Restructuring Inc. was appointed as receiver and manager (in such capacity, the “**Receiver**”), without security, of the Property.

II. Pursuant to an Approval and Vesting Order of the Court dated August 7, 2025 (the “**Order**”), the Court approved the agreement of purchase and sale between the Receiver, as vendor, and HS

Canada 101 Champagne, L.P., by its general partner, HS Canada 101 Champagne GP Inc. as purchaser (collectively, including HS Canada 101 Champagne Property Inc., the “**Purchaser**”), dated February 21, 2025, as amended (the “**Sale Agreement**”), and provided for (among other relief) the vesting in the Purchaser of the Purchased Assets (as defined in the Order), 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 satisfaction 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, as applicable; and (iii) the Transaction (as defined in the Order) has been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has satisfied the purchase price for the Purchased Assets 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, as applicable;
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 Court-appointed Receiver
of 2195186 Ontario Inc., and not in its personal
capacity

Per: _____

Name:

Title:

Schedule “B” – Legal Description of the Specified Real Property

Municipal Address: 101 Champagne Avenue South, Ottawa, Ontario K1S 4P3

PIN: 04102-0340 (LT) in LRO #4

LEGAL DESCRIPTION: PART LOTS 7, 8, 9, 10, 11 AND PART LANE, AS CLOSED BY ORDER CR234928 PLAN 131037, PART 1 PLAN 4R29600; SUBJECT TO AN EASEMENT AS IN OC1804530; SUBJECT TO AN EASEMENT IN GROSS OVER PART 2 PLAN 4R33801 AS IN OC2393098; CITY OF OTTAWA

Schedule “C”- Instruments to Be Deleted from Title

PIN 04102-0340 (LT) in LRO #4

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
OC1442918	JANUARY 4, 2013	NOTICE	\$2	SOHO CHAMPAGNE CONDOMINIUMS INC.	THE OTTAWA HUMANE SOCIETY
OC1651928	JANUARY 13, 2015	NOTICE	\$1	CITY OF OTTAWA	2195186 ONTARIO INC.
OC1819925	AUGUST 24, 2016	NOTICE	\$2	2195186 ONTARIO INC.	ASHCROFT HOMES - CAPITAL HALL INC.
OC1829352	SEPTEMBER 23, 2016	NOTICE	\$1	CITY OF OTTAWA	2195186 ONTARIO INC. ASHCROFT HOMES - CAPITAL HALL INC.
OC2756413	JANUARY 8, 2025	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	KSV RESTRUCTURING INC.

Schedule "D" - Permitted Encumbrances, Easements and Restrictive Covenants

For PIN 04102-0340 (LT) in LRO #4

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
OC665337	NOVEMBER 30, 2006	BYLAW		CITY OF OTTAWA	
OC1665645	MARCH 11, 2015	NOTICE	\$1	CITY OF OTTAWA	2195186 ONTARIO INC.
OC1665650	MARCH 11, 2015	NOTICE	\$1	CITY OF OTTAWA	2195186 ONTARIO INC.
4R29600	JUNE 23, 2016	REFERENCE PLAN			
OC1798542	JUNE 23, 2016	APPLICATION FOR ABSOLUTE TITLE		2195186 ONTARIO INC.	
OC1804530	JULY 11, 2016	TRANSFER EASEMENT	\$2	2195186 ONTARIO INC.	ROGERS COMMUNICATIONS INC.
OC1858806	JANUARY 6, 2017	NOTICE	\$1	CITY OF OTTAWA	2195186 ONTARIO INC. ASHCROFT HOMES - CAPITAL HALL INC.
OC1858810	JANUARY 6, 2017	NOTICE	\$1	CITY OF OTTAWA	2195186 ONTARIO INC. ASHCROFT HOMES - CAPITAL HALL INC.
OC1858817	JANUARY 6, 2017	NOTICE	\$1	CITY OF OTTAWA	2195186 ONTARIO INC. ASHCROFT HOMES - CAPITAL HALL INC.
OC1952534	NOVEMBER 24, 2017	CHARGE	\$55,634,035	2195186 ONTARIO INC.	PEOPLES TRUST COMPANY
OC1952535	NOVEMBER 24, 2017	NOTICE OF ASSIGNMENT OF RENTS - GENERAL		2195186 ONTARIO INC.	PEOPLES TRUST COMPANY
OC1952639	NOVEMBER 24, 2017	CHARGE	\$11,200,000	2195186 ONTARIO INC.	COMPUTERSHARE TRUST COMPANY OF CANADA
OC1952640	NOVEMBER 24, 2017	NOTICE OF ASSIGNMENT OF RENTS - GENERAL		2195186 ONTARIO INC.	COMPUTERSHARE TRUST COMPANY OF CANADA
4R33801	MAY 27, 2021	REFERENCE PLAN			
OC2393098	AUGUST 30, 2021	TRANSFER EASEMENT	\$2	2195186 ONTARIO INC. ASHCROFT HOMES - CAPITAL HALL INC.	CITY OF OTTAWA
OC2393103	AUGUST 30, 2021	POSTPONEMENT		COMPUTERSHARE TRUST COMPANY OF CANADA	CITY OF OTTAWA
OC2393106	AUGUST 30, 2021	POSTPONEMENT		PEOPLES TRUST COMPANY	CITY OF OTTAWA
OC2401964	SEPTEMBER 20, 2021	NOTICE	\$2	2195186 ONTARIO INC.	ASHCROFT HOMES - CAPITAL HALL INC.

IN THE MATTER OF SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C. 43, AS AMENDED

AND IN THE MATTER OF THE APPOINTMENT OF A RECEIVER OVER THE PROPERTY, ASSETS AND UNDERTAKING OF 2067166 ONTARIO INC., 2265132 ONTARIO INC., ASHCROFT HOMES – LA PROMENADE INC., 2195186 ONTARIO INC., 1384274 ONTARIO INC. AND 1019883 ONTARIO INC.

Court File No. CV-24-00098058-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at OTTAWA

**APPROVAL AND VESTING ORDER
(2195186 ONTARIO INC.)**

BLANEY McMURTRY LLP

Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto, ON M5C 3G5

Eric Golden (LSO #38239M)
(416) 593-3927 (Tel)
egolden@blaney.com

Chad Kopach (LSO #48084G)
(416) 593-2985 (Tel)
ckopach@blaney.com

Lawyers for KSV Restructuring Inc.,
in its capacity as Court-appointed Receiver