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Toronto

Court File No. CV-21-00672999-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

THURSDAY, THE 14TH

JUSTICE CAVANAGH

)

DAY OF APRIL, 2022

)

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

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**”) of Claireville Property Holdings Inc. (the “**Debtor**”), for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale amongst: (1) KSV Restructuring Inc., in its capacity as the Proposal Trustee (as defined in the Order of The Honourable Mr. Justice Pattillo of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made July 28, 2021 (the “**Sale Process Order**”)) and assigned to the Receiver, as vendor; (2) S. Paul Mantini, in trust for an Ontario corporation to be incorporated, as the original purchaser; and (3) 200 Town Centre Court Inc. (the “**Purchaser**”), as purchaser assignee, dated December 2, 2021 and amended March 24, 2022 (collectively, the “**Sale Agreement**”), copies of which are attached as Appendix “G” to

the First Report of the Receiver dated March 2, 2022 (the “**First Report**”), Confidential Appendix “2” to the First Report and Appendix “D” to the Supplement to the First Report of the Receiver dated April 5, 2022 (the “**First Report Supplement**” and, together with the First Report, the “**Report**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the property described as the “Purchased Assets” in the Sale Agreement (the “**Purchased Assets**”), was heard this day by judicial videoconference because of the COVID-19 pandemic.

ON READING the Report 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 affidavit of Susy Moniz sworn April 5, 2022, filed,

1. **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, or as it may direct.

2. **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 including, without limitation, all of the Debtor’s right, title and interest in and to the Ground Lease (as defined herein), shall vest absolutely in the Purchaser, free and clear of and from any and all certificates of pending litigation and any and all security interests (whether

contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, writs, 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 Sale Process Order; (ii) any encumbrances or charges created by the Order (Appointing Receiver) of The Honourable Mr. Justice Pattillo made December 14, 2021; (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.

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 lessee of the ground lease in respect of the subject real property identified in **Schedule “B”** hereto (the “**Real Property**”) (collectively, the “**Ground Lease**”), and is hereby directed to delete and expunge from title to the Real Property all of the Claims with respect to the Ground Lease 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, or as it may direct, pursuant to this Order shall be binding on the Receiver and any other licensed insolvency trustee 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.

7. **THIS COURT ORDERS** that the First Report Supplement be and is hereby approved and the actions of the Receiver described therein be and are hereby approved.

8. **THIS COURT ORDERS** that, in accordance with the Endorsement of the Court dated March 22, 2022, the sealing of the Confidential Appendices to the First Report shall no longer be in effect upon delivery of the Receiver's Certificate.

9. **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.

A digital signature in blue ink, appearing to read 'Cavanagh', is displayed within a light grey rectangular box. The signature is stylized and cursive.

Digitally signed by
Mr. Justice Cavanagh

Schedule “A” – Form of Receiver’s Certificate

Court File No. CV-21-00672999-00CL

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SUPERIOR COURT OF JUSTICE
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CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

- I. Pursuant to an Order of The Honourable Mr. Justice Pattillo of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated December 14, 2021, KSV Restructuring Inc. was appointed as the receiver and manager (in such capacity, the “**Receiver**”) of all the assets, undertakings and properties of Claireville Property Holdings Inc. (the “**Debtor**”).
- II. Pursuant to an Order of the Court dated April 14, 2022, the Court approved the agreement of purchase and sale amongst: (1) KSV Restructuring Inc., in its capacity as the Proposal Trustee (as defined in the Order of The Honourable Mr. Justice Pattillo of the Court made July 28, 2021) and assigned to the Receiver, as vendor; (2) S. Paul Mantini, in trust for an Ontario corporation to be incorporated, as the original purchaser; and (3) 200 Town Centre Court Inc. (the “**Purchaser**”), as purchaser assignee, dated December 2, 2021 and amended March 24, 2022 (collectively, the “**Sale Agreement**”), and provided for the vesting in the Purchaser of all the Debtor’s right, title and interest in and to 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) that 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 Receiver's Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV RESTRUCTURING 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

PIN 07368-0036(LT)

PT LT 38 CON 4 FRONTING THE HUMBER, PT 8 64R2980 EXCEPT PTS 2, 3 & 1 EXPROP
PLAN 11716. ETOBICOKE; CITY OF TORONTO

PIN 07368-0037(LT)

PT LT 38 CON 4 FRONTING THE HUMBER, PT 5 64R2980. ETOBICOKE; CITY OF
TORONTO

**SCHEDULE “C”
INSTRUMENTS TO BE DELETED FROM TITLE**

a) **PIN 07368-0036 (LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT3972177	2015/08/07	Notice of Charge of Lease	\$10,000,000	Claireville Property Holdings Inc.	SREIT (Rexdale) Ltd.
AT5775169	2021/06/23	Construction Lien	\$260,515	Trade Electrical Contractors Inc.	
AT5830491	2021/08/16	Certificate of Action		Trade Electrical Contractors Inc.	Aqua Greens Inc. c/o Urban Farmer Claireville Property Holdings Inc.
AT5845822	2021/08/31	Application Court Order		Superior Court of Justice	KSV Restructuring Inc.
AT5888582	2021/10/20	Notice of Assignment of Rents General		Claireville Property Holdings Inc.	Cannect Mortgage Investment Corporation

b) **PIN 07368-0037(LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT3972177	2015/08/07	Notice of Charge of Lease	\$10,000,000	Claireville Property Holdings Inc.	SREIT (Rexdale) Ltd.
AT5775169	2021/06/23	Construction Lien	\$260,515	Trade Electrical Contractors Inc.	
AT5830491	2021/08/16	Certificate of Action		Trade Electrical Contractors Inc.	Aqua Greens Inc. c/o Urban Farmer Claireville Property Holdings Inc.
AT5845822	2021/08/31	Application Court Order		Superior Court of Justice	KSV Restructuring Inc.
AT5888582	2021/10/20	Notice of Assignment of Rents General		Claireville Property Holdings Inc.	Cannect Mortgage Investment Corporation

SCHEDULE “D”
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

a) **PIN 07368-0036 (LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
EB319687	1966/09/27	Transfer			
64R2980	1973/08/15	Plan Reference			
EB432413	1974/04/23	Notice of Lease			
EB499958	1978/09/15	Agreement			Borough of Etobicoke
64R7329	1978/12/11	Plan Reference			
E317117	2000/03/27	Notice		Her Majesty The Queen In Right Of The Department Of Transport Canada	
E417103	2001/05/29	Application Change Name		Slough Estates (Canada) Limited	Slough Estates Canada Limited
E467712	2001/10/19	Notice of Assignment of Lessee Interest		Slough Estates Canada Limited	SREIT (Rexdale) Ltd
E468446	2001/10/23	Notice of Sublease		SREIT (Rexdale) Ltd.	Autotek Electroplating Inc.
E468447	2001/10/23	Notice of Sublease		SREIT (Rexdale) Ltd.	Olympic Coaters Inc.
AT3402986	2013/09/11	Notice of Sublease		SREIT (Rexdale) Ltd	Club Coffee L.P.
AT3972176	2015/08/07	Notice of Assignment of Lessee Interest	\$2,750,000	SREIT (Rexdale) Ltd.	Claireville Property Holdings Inc.
AT5297522	2019/11/19	Notice of Security Interest	\$240,751	De Lage Landen Financial Services Canada Inc.	
AT5655642	2021/02/19	Notice of Security Interest	\$207,490	Add Capital Corp.	
AT5820101	2021/08/04	Notice of Assignment of Lessee Interest	\$2	Duca Financial Services Credit Union Ltd.	Claireville Property Holdings Inc.

b) **PIN 07368-0037(LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
EB319687	1966/09/27	Transfer			
64R2980	1973/08/15	Plan Reference			
EB432135	1974/04/16	Agreement			Borough of Etobicoke
EB432413	1974/04/23	Notice of Lease			
EB497279	1978/07/25	Agreement			Borough of Etobicoke
EB499958	1978/09/15	Agreement			Borough of Etobicoke
64R9552	1982/09/21	Plan Reference			
TB315351	1986/04/23	Lease			
TB331744	1986/06/30	Charge	\$300,000		
E317117	2000/03/27	Notice		Her Majesty The Queen In Right Of The Department Of Transport Canada	
E467712	2001/10/19	Notice of Assignment of Lessee Interest	\$19,844,000	Slough Estates Canada Limited	SREIT (Rexdale) Ltd
E468446	2001/10/23	Notice of Sublease		SREIT (Rexdale) Ltd.	Autotek Electroplating Inc.
E468447	2001/10/23	Notice of Sublease		SREIT (Rexdale) Ltd.	Olympic Coaters Inc.
AT3402986	2013/09/11	Notice of Sublease		SREIT (Rexdale) Ltd.	Club Coffee L.P.
AT3499493	2014/01/16	Notice of Sublease		SREIT (Rexdale) Ltd.	Brightroof II GP Inc. Metis Nation of Ontario - Brightroof Solar LP
AT3574752	2014/05/06	Notice of Sublease		SREIT (Rexdale) Ltd.	Brightroof II GP Inc.
AT3870116	2015/04/30	Notice of Charge of Lease	\$80,000,000	Brightroof II GP Inc. Metis Nation of Ontario - Brightroof Solar LP	National Bank of Canada

AT3871059	2015/04/30	Notice of Charge of Lease	\$80,000,000	Brightroof II GP Inc. Metis Nation of Ontario - Brightroof Solar LP	National Bank of Canada
AT3871060	2015/04/30	Notice of Charge of Lease	\$80,000,000	Brightroof II GP Inc. Metis Nation of Ontario - Brightroof Solar LP	National Bank of Canada
AT3972176	2015/08/07	Notice of Assignment of Lessee Interest	\$2,750,000	SREIT (Rexdale) Ltd.	Claireville Property Holdings Inc.
AT5297522	2019/11/19	Notice of Security Interest	\$240,751	De Lage Landen Financial Services Canada Inc.	
AT5384006	2020/03/09	Notice of Security Interest	\$62,215	Blue Chip Leasing Corporation	
AT5384007	2020/03/09	Notice of Security Interest	\$5,011	Blue Chip Leasing Corporation	
AT5384008	2020/03/09	Notice of Security Interest	\$16,086	Blue Chip Leasing Corporation	
AT5384009	2020/03/09	Notice of Security Interest	\$17,387	Blue Chip Leasing Corporation	
AT5384010	2020/03/09	Notice of Security Interest	\$41,764	Blue Chip Leasing Corporation	
AT5384011	2020/03/09	Notice of Security Interest	\$83,447	Blue Chip Leasing Corporation	
AT5384012	2020/03/09	Notice of Security Interest	\$14,038	Blue Chip Leasing Corporation	
AT5655638	2021/02/19	Notice of Security Interest	\$19,647	Add Capital Corp.	
AT5655639	2021/02/19	Notice of Security Interest	\$70,302	Add Capital Corp.	

AT5655640	2021/02/19	Notice of Security Interest	\$15,863	Add Capital Corp.	
AT5655641	2021/02/19	Notice of Security Interest	\$94,295	Add Capital Corp.	
AT5820101	2021/08/04	Notice of Assignment Of Lessee Interest	\$2	Duca Financial Services Credit Union Ltd.	Claireville Property Holdings Inc.

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Applicant

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Respondent

Court File No. CV-21-00672999-00CL

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SUPERIOR COURT OF JUSTICE
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Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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