

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

THE HONOURABLE	)	FRIDAY, THE 3 RD DAY
	)	
JUSTICE W.D. BLACK	)	OF OCTOBER, 2025

B E T W E E N:

**KINGSETT MORTGAGE CORPORATION AND FIRST SOURCE FINANCIAL
MANAGEMENT INC.**

Applicants

- and -

MAPLEQUEST VENTURES INC. AND DIGRAM DEVELOPMENTS CALEDON INC.

Respondents

**IN THE MATTER OF AN APPLICATION UNDER 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**

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacities, the "**Receiver**"), without security, of the Property (as defined in the Receivership Order dated June 26, 2024) for an order, among other things: (i) approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Lakhvir Kaur, as purchaser (the "**Purchaser**"), dated July 31, 2025 (as may be amended, the "**Sale Agreement**"), a copy of which is attached as Appendix "B" to the Second Report of the Receiver dated September 10, 2025 (the "**Second Report**"), and vesting in the Purchaser, all of Digram Developments Caledon Inc.'s (the

"**Company**") right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"); (ii) authorizing the Receiver, subject to establishing and maintaining certain holdbacks and reserves, to make one or more distributions to KingSett Mortgage Corporation ("**KingSett**") from the Phyllis Proceeds up to the amount secured by the Phyllis Charge (each as defined in the Second Report); and (iii) approving the Second Report, the Supplement to the Second Report dated September 26, 2025 (the "**Supplemental Report**") and the Second Supplement to the Second Report dated October 2, 2025 (the "**Second Supplemental Report**", and together with the Supplemental Report and the Second Report, the "**Reports**"), and the conduct and activities of the Receiver set out therein, was heard this day by judicial videoconference via Zoom.

ON READING the Reports and appendices thereto and, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one else appearing for any other person on the service list, although duly served as appears from the affidavit of service of Linda Fraser-Richardson sworn and filed,

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein, have the meaning ascribed to them in the Sale Agreement or the Second Report, as applicable.

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 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 Company's right, title and interest in and to the Purchased Assets, including without limitation the subject real property identified in **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 Receivership Order of the Honourable Justice Osborne dated June 26, 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"** hereto) 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 and are non-enforceable and non-binding as against the Purchaser.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Registry Office, Peel Region (No. 43) 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 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.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of the 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 AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

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

- i. the pendency of these proceedings;
- ii. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Company and any bankruptcy order issued pursuant to any such applications; and
- iii. any assignment in bankruptcy made in respect of the Company,

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

APPROVAL OF THE DISTRIBUTIONS

8. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to make one or more distributions to KingSett from the Phyllis Proceeds up to the amounts owing to it under the Phyllis Charge subject to such holdbacks and reserves described in the Second Report, including, for greater certainty, such holdbacks and reserves as the Receiver considers appropriate to fund the receivership, including its fees and the fees of its legal counsel.

9. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to establish and maintain the holdbacks and reserves as described in the Second Report. The Receiver is further authorized to pay the amounts of the holdbacks as agreed among the Receiver, KingSett and the applicable beneficiary of the holdback, or as otherwise ordered by this Court.

10. **THIS COURT ORDERS** that the Receiver shall not incur any liability in connection with the distributions set out in paragraphs 8 and 9 of this Order, whether in its personal capacity or in its capacity as the Receiver.

APPROVAL OF THE REPORTS AND ACTIVITIES

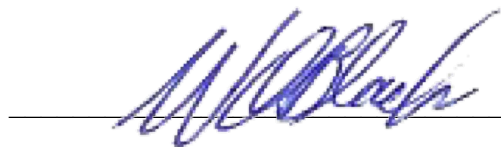
11. **THIS COURT ORDERS** that the Reports and the conduct and activities of the Receiver described therein are hereby approved, provided that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

12. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

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.

14. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order, without the need for entry or filing.



SCHEDULE "A"
FORM OF RECEIVER'S CERTIFICATE

Court File No.: CV-24-00722148-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

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MANAGEMENT INC.**

Applicants

- and –

MAPLEQUEST VENTURES INC. AND DIGRAM DEVELOPMENTS CALEDON INC.

Respondents

**IN THE MATTER OF AN APPLICATION UNDER 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**

RECEIVER'S CERTIFICATE

RECITALS

I. Pursuant to an Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 26, 2024 (the "**Receivership Order**"), KSV Restructuring Inc. was appointed as receiver and manager (in such capacities, the "**Receiver**"), without security, of the Property (as defined in the Receivership Order).

II. Pursuant to an Order of the Court dated October 3, 2025, the Court, among other things, approved the agreement of purchase and sale between the Receiver, as vendor, and Lakhvir Kaur (the "**Purchaser**"), as purchaser, dated July 31, 2025 (as may be amended, the "**Sale Agreement**"), and provided for the vesting in the Purchaser of all of Digram Developments Caledon Inc.'s right,

title and interest in and to the property 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 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 in accordance with their terms;
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, and not in its personal capacity or in any other capacity

Per: _____
Name:
Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

FIRSTLY

PIN: 14235-5967 (LT)

BLOCK 115, PLAN 43M2042; SUBJECT TO AN EASEMENT FOR ENTRY AS IN
PR3617553; TOWN OF CALEDON

SECONDLY

PIN: 14235-6773 (LT)

BLOCK 111, PLAN 43M2077; TOWN OF CALEDON

SCHEDULE "C"
PART 1: INSTRUMENTS TO BE DELETED FROM FIRSTLY LANDS

Reg. No.	Date	Instrument Type	Instrument Holder
PR3617556	2020/02/21	CHARGE	KINGSETT MORTGAGE CORPORATION
PR3617557	2020/02/21	CHARGE	KINGSETT MORTGAGE CORPORATION
PR3822559	2021/04/28	CHARGE	KINGSETT MORTGAGE CORPORATION
PR3822560	2021/04/28	NOTICE OF ASSIGNMENT OF RENTS - GENERAL	KINGSETT MORTGAGE CORPORATION
PR3822561	2021/04/28	CHARGE	KINGSETT MORTGAGE CORPORATION
PR3822562	2021/04/28	NOTICE OF ASSIGNMENT OF RENTS - GENERAL	KINGSETT MORTGAGE CORPORATION
PR3822712	2021/04/28	POSTPONEMENT	KINGSETT MORTGAGE CORPORATION
PR3822713	2021/04/28	POSTPONEMENT	KINGSETT MORTGAGE CORPORATION
PR3822714	2021/04/28	POSTPONEMENT	KINGSETT MORTGAGE CORPORATION
PR3822715	2021/04/28	POSTPONEMENT	KINGSETT MORTGAGE CORPORATION
PR4351278	2024/07/08	RECEIVERSHIP ORDER	KSV RESTRUCTURING INC.

PART 2: INSTRUMENTS TO BE DELETED FROM SECONDLY LANDS

Reg. No.	Date	Instrument Type	Instrument Holder
PR2861457	2016/01/29	CHARGE	KINGSETT MORTGAGE CORPORATION
PR2861458	2016/01/29	NOTICE OF ASSIGNMENT OF RENTS - GENERAL	KINGSETT MORTGAGE CORPORATION
PR3050717	2016/12/20	NOTICE	KINGSETT MORTGAGE CORPORATION
PR3050723	2016/12/20	CHARGE	KINGSETT MORTGAGE CORPORATION
PR3097560	2017/03/22	NOTICE	KINGSETT MORTGAGE CORPORATION
PR3097561	2017/03/22	NOTICE	KINGSETT MORTGAGE CORPORATION
PR3240203	2017/11/22	NOTICE	KINGSETT MORTGAGE CORPORATION
PR3566643	2019/11/05	POSTPONEMENT	KINGSETT MORTGAGE CORPORATION
PR3566644	2019/11/05	POSTPONEMENT	KINGSETT MORTGAGE CORPORATION
PR3822559	2021/04/28	CHARGE	KINGSETT MORTGAGE CORPORATION
PR3822560	2021/04/28	NOTICE OF ASSIGNMENT OF RENTS - GENERAL	KINGSETT MORTGAGE CORPORATION
PR3822561	2021/04/28	CHARGE	KINGSETT MORTGAGE CORPORATION
PR3822562	2021/04/28	NOTICE OF ASSIGNMENT OF RENTS - GENERAL	KINGSETT MORTGAGE CORPORATION
PR3822593	2021/04/28	POSTPONEMENT	KINGSETT MORTGAGE CORPORATION
PR3822594	2021/04/28	POSTPONEMENT	KINGSETT MORTGAGE CORPORATION
PR3822595	2021/04/28	POSTPONEMENT	KINGSETT MORTGAGE CORPORATION
PR3822596	2021/04/28	POSTPONEMENT	KINGSETT MORTGAGE CORPORATION
PR4351278	2024/07/08	RECEIVERSHIP ORDER	KSV RESTRUCTURING INC.
PR4369233	2024/08/26	CONSTRUCTION LIEN	PENCO DRYWALL LTD.

SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS
RELATED TO THE REAL PROPERTY

FIRSTLY LANDS - PIN: 14235-5967 (LT)

1. Instrument No. PR3204176 registered September 19, 2017 being Notice of a Subdivision Agreement with The Corporation of the Town of Caledon and The Regional Municipality of Peel;
2. Instrument No. PR3206649 registered September 25, 2017 being an Application to Annex Restrictive Covenants S.119; and
3. Instrument No. PR3617553 registered February 21, 2020 being a Transfer containing an easement.

SECONDLY LANDS - PIN: 14235-6773 (LT)

1. Instrument No. PR3566641 registered November 5, 2019 being Notice of a Subdivision Agreement with The Corporation of the Town of Caledon and The Regional Municipality of Peel; and
2. Instrument No. PR3566656 registered November 5, 2019 being an Application to Annex Restrictive Covenants S.118.

PART 1: GENERAL PERMITTED ENCUMBRANCES

1. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown;
2. Encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business but only insofar as they relate to any obligations or amounts not due as at the Closing Date;
3. all rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Property in any manner, including any unregistered, undetermined or inchoate liens, levies or claims in favour of any Governmental Authority;
4. rights of expropriation, access or use or any similar right conferred or reserved by or in any statute of Ontario or Canada;
5. applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing or industrial agreements, utility agreements, airport zoning regulations, cost sharing reciprocal agreements and building and other zoning restrictions and other similar agreements with Governmental Authorities or private or public utilities affecting the development or use of the Property;
6. any easements, servitudes, rights-of-way, licenses, agreements, restrictions that run with the land or other Encumbrances (including easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables) which do not materially impair the use, operation or marketability of the Property (based on the current use of the Property) affected thereby;
7. Encumbrances respecting minor encroachments by the Property over neighbouring lands or permitted under agreements with the owners of such other lands and minor encroachments over the Property by improvements of abutting land owners, provided the same do not materially adversely affect the use or marketability of the Property;
8. any privilege in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required under contracts of the Receiver or the Debtor so long as the payment or the performance of such other obligation or act is not delinquent and provided that such privileges do not materially affect the use or the operation of the assets affected thereby;
9. Encumbrances which will be vested out or otherwise discharged at Closing pursuant to the Approval and Vesting Order; and
10. Encumbrances permitted or created pursuant to the terms of this Agreement or which are otherwise expressly approved by the Purchaser in writing.

PART 2: SPECIFIC PERMITTED ENCUMBRANCES

FIRSTLY LANDS - PIN: 14235-5967 (LT)

1. Instrument No. PR3204176 registered September 19, 2017 being Notice of a Subdivision Agreement with The Corporation of the Town of Caledon and The Regional Municipality of Peel;
2. Instrument No. PR3206649 registered September 25, 2017 being an Application to Annex Restrictive Covenants S.119; and
3. Instrument No. PR3617553 registered February 21, 2020 being a Transfer containing an easement.

SECONDLY LANDS - PIN: 14235-6773 (LT)

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**KINGSETT MORTGAGE CORPORATION
AND FIRST SOURCE FINANCIAL
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and

**MAPLEQUEST VENTURES INC. AND DIGRAM DEVELOPMENTS
CALEDON INC.**

Applicants

Respondents

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

Proceedings commenced in Toronto

APPROVAL AND VESTING ORDER

BENNETT JONES LLP

One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario M5X 1A4

Sean Zweig (LSO# 57307I)

Tel: (416) 777-6254
Email: zweigs@bennettjones.com

Aiden Nelms (LSO# 74170S)

Tel: (416) 777-4642
Email: nelmsa@bennettjones.com

Linda Fraser-Richardson (LSO# 89718B)

Tel: (416) 777-7869
Email: fraserrichardsonl@bennettjones.com

Counsel to KSV Restructuring Inc., solely in its capacity
as Court-appointed Receiver and not in its personal
capacity