



Court File No. CV-23-00698576-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

THURSDAY, THE 16TH

JUSTICE OSBORNE

)

DAY OF NOVEMBER, 2023

)

BETWEEN

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

Applicants

- and -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC.,
STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND
STATEVIEW HOMES (HIGH CROWN ESTATES) 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
(NAO TOWNS)**

THIS MOTION, made by KSV Restructuring Inc. in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") without security, of the property, assets and undertakings of each of the above noted Respondents, including their real property, for an order, *inter alia*, approving the sale transaction (the "**Nao Transaction**") in respect of certain of the Property of Stateview Homes (Nao Towns) Inc. ("**Nao**") contemplated by an amended and restated agreement of purchase and sale between the Receiver and Delton Acquisitions Inc. ("**Delton**") dated October 19, 2023 (as amended from time to time, the "**Nao APS**"), appended to the Sixth Report of the Receiver dated November 8, 2023 (the "**Sixth Report**"), as assigned to Camcos (McCowan) Inc. (the "**Purchaser**") pursuant to an assignment agreement dated November 15, 2023, and vesting in the Purchaser Nao's right, title and interest in and to the

Purchased Assets (as defined in the Nao APS) (the “**Nao Purchased Assets**”), was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Notice of Motion of the Receiver, the Sixth Report and the Appendices thereto and on hearing the submissions of counsel for the Receiver and the other parties listed on the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Alec Hoy sworn November 9, 2023,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the 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** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Nao APS or the Sixth Report, as applicable.

APPROVAL OF THE NAO TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Nao Transaction is hereby approved, and the execution of the Nao APS 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 Nao Transaction and for the conveyance of the Nao Purchased Assets to the Purchaser and the assumption of the Assumed Liabilities (as defined in the Nao APS) (the “**Nao Assumed Liabilities**”).
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 (Nao)**”), all of Nao’s right, title and interest in and to the Nao Purchased Assets, including the real property set out in **Schedule “B”** hereto (the “**Purchased Nao 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, constructive, equitable, 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 “**Nao Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Steele in the within proceedings dated May 2, 2023; (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 “**Nao Encumbrances**”, which term shall not include the permitted encumbrances, easements, restrictive covenants, and other matters listed on **Schedule “D”** hereto) and, for greater certainty, this Court orders that all of the Nao Encumbrances affecting or relating to the Nao Purchased Assets are hereby expunged and discharged as against the Nao Purchased Assets upon the delivery of the Receiver’s Certificate (Nao).

5. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of York (No. 65) 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 (a) enter the Purchaser as the owner of the Nao Real Property identified in **Schedule “B”** hereto in fee simple, (b) delete and expunge from title to the Purchased Nao Real Property all of the Nao Claims listed on **Schedule “C”** hereto, and (c) register this Order on title to the Purchased Nao Real Property.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Nao Claims, the net proceeds from the sale of the Nao Purchased Assets shall stand in the place and stead of the Nao Purchased Assets, and that from and after the delivery of the Receiver’s Certificate (Nao), all Nao Claims and Nao Encumbrances shall attach to the net proceeds from the sale of the Nao Purchased Assets with the same priority as they had with respect to the Nao Purchased Assets immediately prior to the sale, as if the Nao 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 (Nao), forthwith after delivery thereof by the Receiver to the Purchaser.

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

the vesting of the Nao Purchased Assets in the Purchaser and the assignments pursuant to this Order and the other terms and provisions of this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Nao and shall not be void or voidable by creditors of Nao, 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 HOMEBUYER AGREEMENTS

9. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed, on or prior to Closing, to terminate and disclaim all homebuyer agreements of purchase and sale treated as Excluded Contracts under the Nao APS and, following the delivery of the Receiver's Certificate (Nao) in accordance with this Order, such agreements shall cease to be continuing obligations effective against the Nao Real Property or binding on the Purchaser.

10. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed, on or prior to closing, to terminate and disclaim any contracts held by Nao with respect to the Project that the Purchaser has not advised the Receiver it intends to assume in accordance with the Nao APS, and any rights of the counterparties under such agreements shall cease to be continuing obligations against the Purchaser or the Nao Property.

SEALING

11. **THIS COURT ORDERS** that the Confidential Appendices "3" and "7" to the Sixth Report are hereby sealed until the earlier of:

- (a) the closing of the Nao Transaction; or

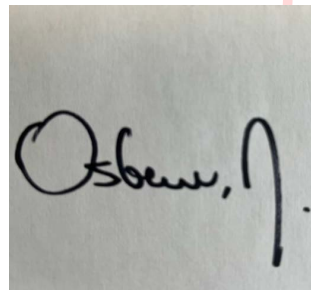
(b) upon further order of the Court.

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 and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All courts, tribunals and 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 respective 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. (Eastern Time) on the date of this Order without the need for entry or filing.



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SCHEDULE "A"
FORM OF RECEIVER'S CERTIFICATE

Court File No. CV-23-00698576-00CL

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**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
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SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

RECEIVER'S CERTIFICATE
(NAO TOWNS)

RECITALS

- A. Pursuant to an Order of the Honourable Justice Steele of the Ontario Superior Court of Justice (the "**Court**") dated May 2, 2023, KSV Restructuring Inc. was appointed as the receiver and manager (the "**Receiver**") of the property, assets and undertakings of each of the above noted Respondents, including Stateview Homes (Nao Towns) Inc. ("**Nao**").
- B. Pursuant to an Order of the Court dated November 16, 2023, the Court approved the amended and restated agreement of purchase and sale attached as Appendix "G" to the Sixth Report of the Receiver dated November 8, 2023 (as amended from time to time, the "**Nao APS**") between the Receiver and Delton Acquisitions Inc. ("**Delton**"), as assigned to Camcos (McCowan)

Inc. (the “**Purchaser**”) pursuant to an assignment agreement dated November 15, 2023, providing for the vesting in the Purchaser of Nao’s right, title and interest in and to the Purchased Assets (as defined in the Nao APS) (the “**Nao Purchased Assets**”), which vesting is to be effective with respect to the Nao 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 Nao APS) for the Nao Purchased Assets; (ii) that the other conditions to Closing as set out in each of the Nao APS have been satisfied or waived by the Receiver and the Purchaser; and (iii) that the transaction pursuant to the Nao APS (the “**Nao 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 Nao APS.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid, and the Receiver has received, the Purchase Price for the Nao Purchased Assets payable pursuant to the Nao APS;
2. The other conditions to Closing as set out in the Nao APS have been satisfied or waived by the Receiver and the Purchaser, as applicable; and
3. The Nao Transaction has been completed to the satisfaction of the Receiver.

This Receiver’s Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV Restructuring Inc., in its capacity as court-appointed receiver and manager, without security, of, *inter alia*, Nao Property and all present and future undertakings and property, both real and personal of Stateview Homes (Nao Towns) Inc., which is located at or related to or used in connection with or arising from or out of the NAO Property, and not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

LEGAL DESCRIPTION OF PURCHASED NAO REAL PROPERTY

Stateview Homes (Nao Towns) Inc.

PIN 02962-0856 (LT)

1STLY: PART OF LOT 6, CONCESSION 6 MARKHAM, PART 1, 65R38179, (STOPPED UP AND CLOSED BY YR3416947); 2NDLY: PART OF LOT 6, CONCESSION 6 MARKHAM, PART 2, 65R38179, (STOPPED UP AND CLOSED BY YR3416947); 3RDLY: PT LT 6, CON 6, AS IN MA51910; 4THLY: PT LT 6, CON 6, AS IN MA107810; 5THLY: PT LT 6, CON 6, PART 3, 64R5892, EXCEPT PT 1, 65R7816; 6THLY: PT LT 6, CON6, PART 1, 64R5892; 7THLY: PT LT 6, CON 6, AS IN R434475; 8THLY: PT LT 6, CON6, AS IN R264882; 9THLY: PT LT 6, CON 6, AS IN R329719; 10THLY: PT LT 6, CON 6, AS IN MA39709 EXCEPT MA51910, MA107810 AND 64R5892; CITY OF MARKHAM

(the "Nao Real Property")

SCHEDULE "C"

CLAIMS TO BE DELETED AND EXPUNGED FROM TITLE TO THE NAO REAL PROPERTY

Instrument Number	Date	Instrument Type	Parties From	Parties To
YR3359877	December 22, 2021	Charge	Stateview Homes (Nao Towns) Inc.	Kingsett Mortgage Corporation
YR3359878	December 22, 2021	Notice of Assignment of Rents	Stateview Homes (Nao Towns) Inc.	Kingsett Mortgage Corporation
YR3359879	December 22, 2021	Charge	Stateview Homes (Nao Towns) Inc.	Kingsett Mortgage Corporation
YR3359880	Decembr 22, 2021	Notice of Assignment of Rents	Stateview Homes (Nao Towns) Inc.	Kingsett Mortgage Corporation
YR3394056	March 14, 2022	Charge	Stateview Homes (Minu Towns) Inc.; Stateview Homes (Nao Towns) Inc.	Dorr Capital Corporation
YR3430235	May 26, 2022	Charge	Stateview Homes (Nao Towns) Inc.	Kingsett Mortgage Corporation
YR3430236	May 26, 2022	Charge	Stateview Homes (Nao Towns) Inc.	Kingsett Mortgage Corporation
YR3547502	May 2, 2023	Application to Register Court Order	Ontario Superior Court of Justice	Kingsett Mortgage Corporation; Dorr Capital Corporation
YR3548855	May 5, 2023	Construction Lien	Gei Consultants Ltd.	
YR3561414	June 9, 2023	Constrution Lien	Best Rental Services Inc.	
YR3568796	June 30, 2023	Certificate	Gei Consultants Ltd.	
YR3577087	July 24, 2023	Certificate	Best Rental Services Inc.	

SCHEDULE "D"

PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS RELATED TO THE NAO REAL PROPERTY

(unaffected by the Approval and Vesting Order)

1. Instrument No. MA89209 is By-law No. 15-75 registered on February 6, 1975 dedicating a public road.
2. Instrument No. 64R5892 is a Plan Reference registered on January 11, 1977.
3. Instrument No. MA99474 is By-law No. R-343-77-101 registered on August 22, 1977 dedicating a public highway and declaring them part of Regional Road No. 7.
4. Instrument No. R261406 is By-law No. R-670-80-128 registered on November 19, 1980 renaming various public highways.
5. Instrument No. R567670 is By-law No. RD-335-91-51 registered on May 10, 1991 dedicating public highways.
6. Instrument No. R568896 is By-law RD-336-91-59 registered May 30, 1991 dedicating public highways.
7. Instrument No. YR685037 is a Zoning Regulation registered on August 16, 2005 by Her Majesty the Queen in right of Canada as represented by the Minister of Transport.
8. Instrument No. YR686377 is a Notice regarding Aeronautics Act and the Pickering Airport Site Zoning Regulations registered on August 18, 2005 by Her Majesty the Queen in Right of Canada as Represented by The Minister of Transport.
9. Instrument No. YR1088682 is a Transfer from S.D.S. Developments Inc. in favour of Valleymede Building AMA Corporation registered on November 16, 2007.
10. Instrument No. YR1264495 is Order in Council 1918/2017 designating part of the property as a controlled access highway registered on December 9, 2008 by Her Majesty the Queen in Right of Province of Ontario, Rep. by the Minister of Transportation.
11. Instrument No. YR1354051 is a Transfer from Ian Baron in favour of Valleymede Building AMA Corporation registered on August 5, 2009.
12. Instrument No. YR1450025 is a Transfer from Frederick Norman Eden and Monica Zoe Eden in favour of Valleymede Building AMA Corporation registered on March 8, 2010.
13. Instrument No. 65R38179 is a Plan Reference registered on December 5, 2018.
14. Instrument No. YR3359872 is a Transfer from Valleymede Building AMA Corporation in favour of Stateview Homes (Nao Towns) Inc. registered on December 22, 2021.
15. Instrument No. YR3359873 is a Transfer from Valleymede Building AMA Corporation in favour of Stateview Homes (Nao Towns) Inc. registered on December 22, 2021.

16. Instrument No. YR3359874 is a Transfer from Valleymede Building AMA Corporation in favour of Stateview Homes (Nao Towns) Inc. registered on December 22, 2021.
17. Instrument No. YR3359875 is a Transfer from Valleymede Building AMA Corporation in favour of Stateview Homes (Nao Towns) Inc. registered on December 22, 2021.
18. Instrument No. YR3359876 is a Transfer from Valleymede Building AMA Corporation in favour of Stateview Homes (Nao Towns) Inc. registered on December 22, 2021.
19. Instrument No. YR3416947 is a By-law registered on April 29, 2022 by The Regional Municipality of York regarding stopping up and closing Parts 1 and 2 on Plan 65R38179 as a public access highway.
20. Instrument No. YR3430234 is a Transfer from the Regional Municipality of York in favour of Stateview Homes (Nao Towns) Inc. registered on May 26, 2022.
21. Instrument No. YR3475867 is an Application to Consolidate Parcels registered on September 12, 2022.
22. Instrument No. YR3519977 is a Notice of Application for Absolute Title registered on January 30, 2023.

Court File No. CV-23-00698576-00CL

**IN THE MATTER OF THE RECEIVERSHIP OF STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC.,
STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**APPROVAL AND VESTING ORDER
(NAO TOWNS)**

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Lawyers for the Receiver (NAO Phase 1, Minu, On the Mark,
High Crown and Taurasi Holdings Receiverships)