

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE 10TH
JUSTICE CONWAY) DAY OF JUNE, 2020

B E T W E E N:

VECTOR FINANCIAL SERVICES LIMITED

Applicant

- and -

31 VICTORY DEVELOPMENT INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by Pollard & Associates in its capacity as receiver and manager (in such capacities, the "**Receiver**"), without security, of the undertaking, property and assets of 31 Victory Development Inc. (the "**Debtor**") for an order, among other things, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale dated May 8, 2020 (the "**Agreement**") and appended to the Report of the Receiver dated May 25, 2020 (the "**Report**") between the Receiver and Chengyi Wei, in trust for a company to be incorporated, and as assigned by Chengyi Wei, in trust for a company to be incorporated, as purchaser, to W Garden Corporation, as assignee (the "**Purchaser**") pursuant to an assignment and assumption agreement dated May 29, 2020 (hereinafter collectively with Agreement, the "**Sale Agreement**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the

assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day via video conference as a result of the COVID-19 pandemic.

ON READING the Report, the Supplementary Report of the Receiver dated June 9, 2020, the Responding Record of 10226190 Canada Ltd., and on hearing the submissions of counsel for the Receiver, Vector Financial Services Limited, 10226190 Canada Ltd., Krashnik Investments Limited, Rick Liu, 2592898 Ontario Inc., 2620094 Ontario Inc., 2627235 Ontario Inc., 2638796 Ontario Inc., 2646429 Ontario Inc., KSV Advisory Inc., Yi Zhou, and Gabel Investments Limited, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Hayley Morgan sworn June 2, 2020 and June 9, 2020 filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and 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 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 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 Mr. Justice Penny dated November 5, 2019; (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) 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.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division LRO #65, York Region, of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter W Garden Corporation 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.

5. **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.

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:

- (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.

8. **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.



Schedule A – Form of Receiver’s Certificate

Court File No. CV-19-19-627153-00CL

Estate File No. 31-4588747

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VECTOR FINANCIAL SERVICES LIMITED

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- and -

31 VICTORY DEVELOPMENT INC.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Penny of the Ontario Superior Court of Justice, Commercial List, (the "Court") dated November 5, 2019, Pollard & Associates Inc. was appointed as the receiver and manager (in such capacities, the "Receiver") of the undertaking, property and assets of 31 Victory Development Inc. (the “Debtor”).

B. Pursuant to an Order of the Court dated June 10, 2020, the Court approved the agreement of purchase and sale made as of May 8, 2020 (the “Agreement”) between the Receiver and Chengyi Wei, in trust for a company to be incorporated and as assigned by Chengyi Wei, in trust for a company to be incorporated, as purchaser, to W Garden Corporation, as assignee (the "Purchaser") pursuant to an assignment and assumption agreement dated May 29, 2020 (hereinafter collectively with Agreement, the “Sale Agreement”), and provided for the vesting in the Purchaser, or as it may direct in writing, of the Debtor’s right, title and interest in and to 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.

C. 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; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver by email as a result of the COVID pandemic at _____ [TIME] on _____ [DATE].

POLLARD & ASSOCIATES INC., in its capacity as Receiver and Manager of the undertaking, property and assets of 31 Victory Development Inc., and not in its personal capacity

Per: _____
Name:
Title:

Schedule B – Purchased Assets

PIN	02953 – 0029 LT
DESCRIPTION	PT E1/2 LT 2 CON 5 MARKHAM AS IN R410839 EXCEPT R438796 (THIRDLY) ; MARKHAM
ADDRESS	31 VICTORY AVENUE, MARKHAM

Schedule C – Claims to be deleted and expunged from title to Real Property

1. Instrument No. YR2526272 registered 2016/08/17;
2. Instrument No. YR2526286 registered 2016/08/17;
3. Instrument No. YR256S687 registered 2016/10/14;
4. Instrument No. YR2696718 registered 2017/06/16;
5. Instrument No. YR2696719 registered 2017/06/16;
6. Instrument No. YR2852665 registered 2018/07/23;
7. Instrument No. YR3054277 registered 2020/01/09;

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Instrument No. YR2742984 registered 2017/10/10;

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Court File No. CV-19-627153-00cl
Estate File No. 31-4588747

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at TORONTO

APPROVAL AND VESTING ORDER

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