

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE MCARTHUR

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THURSDAY, THE 28th
DAY OF AUGUST, 2025



ROYNAT INC.

Applicant

- and -

1000602770 ONTARIO LTD.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by msi Spergel Inc., solely in its capacity as the Court-appointed receiver (the "**Receiver**") of the assets, undertakings and properties of 1000602770 Ontario Ltd.. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Sale Agreement**") between the Receiver and Jaral Properties Inc. (in trust) dated April 21, 2025 and vesting in the Jaral Properties Inc. (the "**Purchaser**") all of the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**") and referenced in Schedule "B" hereto, was heard this day by judicial videoconference via Zoom at 85 Frederick Street, Kitchener, Ontario.

ON READING the First Report of the Receiver dated July 11, 2025 and Appendices thereto and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Daisy Jin sworn August 8, 2025, 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.

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 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 Justice Bordin dated August 8, 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 including the registrations described in Schedule E hereto but only in respect of the Purchased Assets; 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.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office (No. 61) 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 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.

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 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.

7. **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.

8. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order and is enforceable without the need for entry or filing.

A handwritten signature in black ink, appearing to read "M.D. McArthur", with a long horizontal flourish extending to the right.

Justice M.D. MCARTHUR

Schedule A – Form of Receiver’s Certificate

Court File No. CV-24—00001161-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

ROYNAT INC.

Applicant

- and -


1000602770 ONTARIO LTD.

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Bordin of the Ontario Superior Court of Justice (the "**Court**") dated August 8, 2024, msi Spergel Inc. was appointed as the receiver (the "**Receiver**") of the assets, undertakings and properties of 1000602770 Ontario Ltd. (the "**Debtor**").

B. Pursuant to an Order of the Court dated , the Court approved the agreement of purchase and sale made as of April 21, 2025 (the "**Sale Agreement**") between the Receiver, solely in its capacity as court-appointed receiver of all of the property and assets of 1000602770 Ontario Ltd. and Jaral Properties Inc. (in trust) and provided for the vesting in Jaral Properties Inc. (the "**Purchaser**") 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 at _____ [TIME] on _____ [DATE].

**msi Spergel Inc., solely in its capacity as
Receiver of the undertaking, property and
assets of 1000602770 Ontario Ltd. and not in
its personal, corporate or any other capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets

The Purchased Assets, as defined in the Sale Agreement including, without limitation, the Real Property described as follows:

Municipally known as: 225 Southgate Drive, Guelph, Ontario

Legal Description:

LOT 21, PLAN 680; S/T EASEMENT IN FAVOUR OF THE BOARD OF LIGHT AND HEAT COMMISSIONERS OF THE CITY OF GUELPH OVER PT 37 61R2072 AS IN ROS223171; GUELPH (PIN 71491-0161 LT); and,

LOT 20, PLAN 680; S/T EASEMENT IN FAVOUR OF THE BOARD OF LIGHT AND HEAT COMMISSIONERS OF THE CITY OF GUELPH OVER PT 36 61R2072 AS IN ROS223171; GUELPH (PIN 71491-0162 LT).

Schedule C – Claims to be Deleted and Expunged from title to Real Property

PIN 71491-0161 (LT)

1. WC712167 , being a charge in favour of Roynat Inc., registered on September 11, 2023;
2. WC712170, being a notice of assignment of rents in favour of Roynat Inc., registered on September 11, 2023;
3. WC737698, being the application of the receivership order registered on August 21, 2024

PIN 71491-0162 (LT)

1. WC712167 , being a charge in favour of Roynat Inc., registered on September 11, 2023;
2. WC712170 , being a notice of assignment of rents in favour of Roynat Inc., registered on September 11, 2023;
3. WC737698, being the application of the receivership order registered on August 21, 2024

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

(unaffected by the Vesting Order)

General Encumbrances:

- a. any reservation or unregistered restrictions, rights of way, easements or covenants that run with the land;
- b. any registered or unregistered agreements or easements with a Governmental Authority or a supplier of utility services including without limitation, electricity, water, sewage, gas, telephone or cable television or any other telecommunication service;
- c. any Applicable Laws and non-compliance therewith;
- d. any minor easements for the supply of utility service to the land or adjacent lands;
- e. any encroachments, defects or irregularities disclosed by any existing surveys of the Lands or neighbouring properties and any title defect, encroachment or breach of zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey or the Lands and survey matters generally;
- f. any exceptions and qualifications set forth in the *Land Titles Act* (Ontario);
- g. any reservation limitations, provisos and conditions contained in the original grant from the Crown;
- h. any Land Registrar's registered orders;
- i. any deposited reference plans;
- j. any Work Orders;
- k. any subdivision agreements, site plan agreements, development agreements, and any other agreements with the City of Guelph, publicly regulated utilities or any other Governmental Authority having jurisdiction in respect of the Lands;
- l. zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations; and
- m. minor title defects.

Specific Encumbrances:

PIN 71491-0161 (LT)

1. MS57023, being a By-Law registered on July 8, 1966
2. MS59544, being a By-Law registered on October 20, 1966
3. 61R2072, being a reference plan registered on September 13, 1979
4. ROS223171, being a transfer of easement to Guelph Hydro registered on October 12, 1979
5. ROS520085Z, being a Best Cov Apl Annex registered on December 31, 1985
6. WC243602 being a Notice regarding airport zoning registered on May 4, 2009

PIN 71491-0162 (LT)

1. MS57023, being a By-Law registered on July 8, 1966
2. MS59544, being a By-Law registered on October 20, 1966
3. 61R2072, being a reference plan registered on September 13, 1979
4. ROS223171 being a transfer of easement to Guelph Hydro registered on October 12, 1979
5. ROS553439Z, being a restrictive covenant application registered on June 30, 1987
6. ROS586649, being a By-Law registered on November 15, 1988
7. WC243602 being a Notice regarding airport zoning registered on May 4, 2009

**Schedule “E” - PPSA (Ontario) Registrations to be Released but only in respect of the
Purchased Assets**

| Date of Registration | Secured Party | File Number | Registration Number | Expiry Date |
|---------------------------------|----------------------|--------------------|--------------------------------|--------------------|
| August 25, 2023 | Roynat Inc. | 796586265 | 20230825 1541 1590 7749 | Aug. 25, 2031 |

ROYNAT INC.
Applicant

v.

1000602770 ONTARIO LTD.
Respondents

Court File No. CV-24-00001161-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
KITCHENER, ONTARIO

ORDER

AIRD AND BERLIS LLP

181 Bay Street, Suite 1800
Toronto, Ontario, M5J2T9

Sanj Mitra (LSO# 37934U)

Tel : (416) 865-3085

Fax: (416) 863-1515

Email: smitra@airdberlis.com

Adrienne Ho (LSO# 68439N)

Tel: 416-637-7980

Email: aho@airdberlis.com

Lawyers for the Receiver,
msi Spergel Inc.