



Court File No. CV-21-00659019-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE CAVANAGH

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TUESDAY, THE 5TH
DAY OF DECEMBER, 2023

B E T W E E N:

MERIDIAN CREDIT UNION LIMITED

Applicant

- and -

2607380 ONTARIO INC.

Respondent

APPROVAL AND VESTING and DISCHARGE ORDER

THIS MOTION, made by msi Spergel Inc. in its capacity as the Court-appointed receiver ("Spergel" or the "**Receiver**") of the assets, undertakings and properties of 2607380 Ontario Inc. (the "**Debtor**") for an order:

1. validating service of the Notice of Motion and the Motion Record in the manner effected by the Receiver and an Order dispensing with service thereof on any party other than the parties served;
2. approving the sale transaction (the "**Transaction**") contemplated by an Agreement of Purchase and Sale (the "**Purchase Agreement**") between the Receiver and Crossroads Christian Communications Incorporated, and assigned to 1000708882 Ontario Inc. (the "**Purchaser**") dated August 22, 2023, and appended to the First Report of the Receiver dated November 22, 2023 (the "**First Report**"), in respect of the sale of real property located at 1295

North Service Road, Burlington, Ontario (the “**Real Property**”) and authorizing the Receiver to do all things and execute all documentation necessary to complete the transaction contemplated therein;

3. vesting in the Purchaser the Debtor’s right, title and interest in and to the Property described in the Purchase Agreement (the “**Purchased Assets**”), free and clear of encumbrances save and except the Permitted Encumbrances as defined in the Purchase Agreement;
4. sealing the Confidential Appendices 1 through 8 to the First Report until the earlier of the completion of the transaction or further Order of this Honourable Court;
5. permitting the Receiver to assign the Debtor into bankruptcy and to accept an appointment as the Trustee in Bankruptcy in the Estate of the Debtor, consequent to the request of the senior secured creditor, Meridian Credit Union Limited;
6. approving the conduct, activities and actions of the Receiver as set out in the First Report;
7. approving the distribution of the net proceeds of sale of the Property and authorizing and directing the Receiver to proceed to make the distributions and set aside the reserves recommended by the Receiver in the First Report adhering to the priority established by this Court in the CCAA proceedings (as defined in the Notice of Motion) such that the priority of the CCAA charges in relation to the Receivership charges shall be as detailed in the Notice of Motion;
8. authorizing the Receiver to make payment of any outstanding taxes and all costs to complete the administration of the receivership from the sale proceeds;
9. approving the Receiver’s Final Statement of Receipts and Disbursements;
10. approving the professional fees and disbursements of the Receiver and its counsel, as detailed in the Notice of Motion and the First Report;

11. discharging Spergel as Receiver of the assets, undertakings and properties of the Debtor; and,

12. releasing Spergel from any and all liability, as set out in paragraph 19 of this Order,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report, the affidavits of the Receiver and its counsel as to fees (the "**Fee Affidavits**"), and on hearing the submissions of counsel for the Receiver, _____[NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Tanisha Lashley sworn November 23, 2023, filed:

1. THIS COURT ORDERS AND DECLARES that service of the Notice of Motion and the Motion Record in the manner effected by the Receiver be and is hereby validated and service thereof on any party other than the parties served is hereby dispensed with.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Purchase 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 Purchase 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 Dietrich dated March 18, 2021; (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 of Halton (No. 20) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the Real Property identified in Schedule B hereto 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 ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. THIS COURT ORDERS that the Confidential Appendices 1 through 8 to the First Report be and are hereby sealed until the earlier of the completion of the Transaction or further Order of this Honourable Court.

10. THIS COURT ORDERS that the Receiver is hereby permitted to assign the Debtor into bankruptcy and to accept an appointment as the Trustee in Bankruptcy in the Estate of the Debtor.

11. 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.

12. THIS COURT ORDERS that the conduct, activities and actions of the Receiver, as set out in the First Report, are hereby approved, provided, however, 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.

13. THIS COURT ORDERS that the Receiver's Final Statement of Receipts and Disbursements are hereby approved.

14. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the First Report and the Fee Affidavits, are hereby approved.

15. THIS COURT ORDERS that, after payment of the fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands as follows:

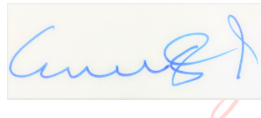
- (a) To the Former Monitor and Stikeman Elliott LLP in the amount of \$300,000.00, on account of outstanding amounts due under the Administration Charge;
- (b) To Meridian in the amount of \$7,180,000.00, or such other party as Meridian might direct, for the repayment of the DIP Charge, plus interest thereon, accordance to the DIP Financing Agreement;
- (c) To Meridian, or such other party as Meridian might direct, for the repayment of the Borrowings, pursuant to Receiver Certificate No. 1 in the amount of \$200,000.00, plus interest thereon, in accordance with Receiver's Certificate No. 1 that was issued to Meridian;
- (d) To Canada Revenue Agency for payment of the Source Deduction Trust Claim in the amount of \$12,323.24;
- (e) To Service Canada for payment of the Priority Portion of the WEPP claim in the amount of \$9,652.80; and,
- (f) The balance of any and all funds available in the Debtor's estate to Meridian, on account of the Debtors' secured indebtedness to Meridian.

16. THIS COURT ORDERS that the Receiver is hereby authorized to make payment of all costs to complete the administration of the receivership from the sale proceeds.

17. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 15 hereof and upon the Receiver filing a certificate certifying that it has completed the other activities described in the Report, the Receiver shall be discharged as Receiver of

the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Spergel in its capacity as Receiver.

18. THIS COURT ORDERS AND DECLARES that Spergel is hereby released and discharged from any and all liability that Spergel now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Spergel while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, Spergel is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.



Digitally signed
by Mr. Justice
Cavanagh

Schedule A – Form of Receiver’s Certificate

Court File No. CV-21-00659019-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

MERIDIAN CREDIT UNION LIMITED

Applicant

- and –

2607380 ONTARIO INC.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Dietrich of the Ontario Superior Court of Justice (the "**Court**") dated March 18, 2021, msi Spergel Inc. was appointed as the receiver and manager (the "**Receiver**") of the undertakings, properties and assets of 2607380 Ontario Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of August 22, 2023 (the "**Purchase Agreement**") between the Receiver and Crossroads Christian Communications Incorporated, and assigned to 1000708882 Ontario Inc. (the "**Purchaser**") and provided for the vesting in 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 sections 12 and 13 of the Purchase 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 Purchase 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 Purchase Agreement;
2. The conditions to Closing as set out in sections 12 and 13 of the Purchase 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., in its capacity as
Receiver of the assets, undertakings and
properties of 2607380 Ontario Inc., and
not in its personal capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets

PT LT 10, RCP PL 99, PART 3 & 7, 20R6963, S/T IN 619045; BURLINGTON

PIN 07127-0265 (LT)

known municipally as 1295 North Service Road, Burlington, Ontario

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

Instrument No. HR1532634 being a Charge in favour of Meridian Credit Union Limited

Instrument No. HR1532635 being a Notice of Assignment of Rents in favour of Meridian Credit Union Limited

Instrument No. HR1532637 being a Charge in favour of Crossroads Christian Communications Incorporated

Instrument No. HR1532638 being a Postponement from Crossroads Christian Communications Incorporated to Meridian Credit Union Limited

Instrument No. HR1532639 being a Charge in favour of Bridging Finance Inc.

Instrument No. HR1532640 being a Notice of Assignment of Rents in favour of Bridging Finance Inc.

Instrument No. HR1532641 being a Postponement from Bridging Finance Inc. to Meridian Credit Union Limited

Instrument No. HR1689444 being a Charge in favour of Meridian Credit Union Limited

Instrument No. HR1775187 being an Order of Dietrich, J. appointing msi Spergel Inc. as Receiver of the assets, undertakings and properties of 2607380 Ontario Inc., registered on March 19, 2021

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

(unaffected by the Vesting Order)

1. Instrument No. HR1212979 being a Notice of Lease registered on September 12, 2014 from Crossroads Christian Communications Inc. to Solar Power Network 001 Inc. SPN LP 3;
2. Instrument No. HR1531249 being a Notice of Charge of Lease registered on March 19, 2018, in the amount of \$337,500,000 from Solar Power Network 001 Inc. SPN LP 3 to Deutsche Bank Trust Company Americas;
3. Instrument No. HR1532636 being a Notice of Lease in favour of Crossroads Christian Communications Incorporated
4. any reservation or unregistered restrictions, rights of way, easements or covenants that run with the land;
5. any registered or unregistered agreements or easements with a municipality or a supplier of utility services including without limitation, electricity, water, sewage, gas, telephone or cable television or any other telecommunication service;
6. any laws, by-laws and regulations;
7. any minor easements for the supply of utility service to the land or adjacent lands;
8. any encroachments disclosed by any errors or omissions in existing surveys of the Real Property 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 Real Property and survey matters generally;
9. any exceptions and qualifications set forth in the *Land Titles Act* (Ontario);
10. any reservation contained in the original grant from the Crown;
11. any Land Registrar's registered orders;
12. any deposited reference plans.

Applicant

-and- Court File No./N° du dossier du greffe : CV-21-00659019-00CL
2607380 ONTARIO INC.
Respondent

Court File No. CV-21-00659019-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

APPROVAL AND VESTING AND DISCHARGE ORDER

SimpsonWigle LAW LLP

1006 Skyview Drive, Suite 103
Burlington, Ontario L7P 0V1

Rosemary A. Fisher (LSO #32238T)

E-mail: fisherr@simpsonwigle.com

Tel: (905) 639-1052

Fax: (905) 528-9008

Lawyers for MSI Spergel Inc., in its capacity as Receiver of
the assets, undertakings and properties of 2607380
Ontario Inc.