

Court File No. CV-23-00711609-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE CONWAY

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TUESDAY, THE 7TH
DAY OF JANUARY, 2025

B E T W E E N:

THE TORONTO-DOMINION BANK

Applicant

and

TORONTO ARTSCAPE INC.

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43

**APPROVAL AND VESTING ORDER
(Small World Music Society)**

THIS MOTION, made by msi Spergel inc. in its capacity as the Court-Appointed Receiver (in such capacity, the "**Receiver**") of certain properties of Toronto Artscape Inc. (the "**Debtor**") for, among other things, an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Small World Music Society (the "**Purchaser**") dated October 8, 2024 and appended to the Second Report of the Receiver dated December 20, 2024 (the "**Second Report**"), 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 by videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion herein, the First Report of the Receiver dated April 22, 2024 and the Appendices and Confidential Appendices thereto and the Second Report and the Appendices and Confidential Appendices thereto and on hearing the submissions of the lawyers for the Receiver and other interested parties,

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 Steele dated January 11, 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) 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 for the Land Titles Division of Toronto of a Transfer/Deed of Land in the form prescribed by the Land Titles Division of Toronto 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 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.

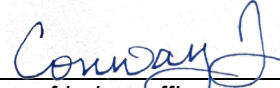
6. **THIS COURT ORDERS** that, notwithstanding:

- (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.



(Signature of judge, officer or registrar)

Schedule A – Form of Receiver’s Certificate

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B E T W E E N:

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RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Steele of the Ontario Superior Court of Justice (the "**Court**") dated January 11, 2024, msi Spergel inc. was appointed as the receiver (the "**Receiver**") of certain undertakings, property and assets of Toronto Artscape Inc. (the "**Debtor**") as detailed in the January 11, 2024 Order.

B. Pursuant to an Order of the Court dated January 7, 2025, the Court approved the agreement of purchase and sale made as of October 8, 2024 (the "**Sale Agreement**") between the Receiver and Small World Music Society (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtors’ 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 Article 4 of 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
the Court-Appointed Receiver of the
Debtor and not in its personal or
corporate capacity.**

Per: _____

Name: Trevor B. Pringle, CFE, CIRP,
LIT

Title: Partner

Schedule B – Purchased Assets

PIN 76397-0001 - UNIT 1, LEVEL 1, TORONTO STANDARD CONDOMINIUM PLAN NO. 2397 AND ITS APPURTENANT INTEREST; TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3657726; CITY OF TORONTO

PIN 76397-0030 - UNIT 5, LEVEL 3, TORONTO STANDARD CONDOMINIUM PLAN NO. 2397 AND ITS APPURTENANT INTEREST; TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN AT3657726; CITY OF TORONTO

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

1. Instrument No. AT3012728 registered May 10, 2012, is a Notice of an "Imagination, Manufacturing, Innovation and Technology Tax Increment Equivalent Grant Agreement" between Toronto Artscape Inc. and the City of Toronto.
2. Instrument No. AT4137121 registered February 3, 2016, is Notice of an Agreement with the City of Toronto.
3. Instrument No. AT5729198 registered May 6, 2021, is a Charge in favour of First Ontario Credit Union in the amount of \$5,700,000.00.
4. Instrument No. AT5729199 registered May 6, 2021, is a General Assignment of Rents in favour of First Ontario Credit Union.
5. Instrument No. AT6496748 registered January 16, 2024, is an Application for a Court Order appointing MSI Spergel Inc as receiver

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

(unaffected by the Vesting Order)

1. Instrument No. AT2570223 registered December 6, 2010, is notice of an Agreement with the City of Toronto.
2. Instrument No. AT2579857 registered December 16, 2010, is a Limiting Distance Agreement between Toronto Artscape Inc., Toronto District School Board and the City of Toronto.
3. Instrument No. TCP2397 registered August 11, 2014, is the Standard Condominium Plan.
4. Instrument No. AT3657726 registered August 11, 2014, is the Condominium Declaration.
5. Instrument No. AT3688673 registered September 15, 2014, is the Condominium By-Law No. 1.
6. Instrument No. AT3688674 registered September 15, 2014, is the Condominium By-Law No. 2.
7. Instrument No. AT5756573 registered June 3, 2021, is the Condominium By-Law No. 3.
8. Instrument No. AT6538398 registered March 27, 2024 is the Condominium By-law No. 4.

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-and-

TORONTO ARTISCAPE INC.

Respondent

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PROCEEDING COMMENCED AT TORONTO

**APPROVAL AND VESTING ORDER
(Small World Music Society)**

FOGLER, RUBINOFF LLP

Lawyers

Scotia Plaza

40 King Street West, Suite 2400

P.O. Box #215

Toronto, ON M5H 3Y2

Catherine Francis (LSO# 26900N)

cfrancis@foglers.com

Tel: 416-941-8861

Rachel Moses (LSO# 42081V)

rmoses@foglers.com

Tel: 416-864-7627

Lawyers for the Receiver