

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.

)

FRIDAY, THE 7TH

)

JUSTICE CAVANAGH

)

DAY OF MARCH, 2025

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

**2174542 ONTARIO INC., SAFE HARBOUR HOMES INC. and
SAFE HARBOUR DEVELOPMENTS INC.**

Respondents

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
(LOT 9)**

THIS MOTION, made by TDB Restructuring Limited (“**TDB**”), in its capacity as court-appointed receiver (the “**Receiver**”) without security, of the assets, undertakings, and properties of 2174542 Ontario Inc. (“**217**”), Safe Harbour Homes Inc. and Safe Harbour Developments Inc. (collectively the “**Debtors**”), for an order, *inter alia*:

- 1) abridging the time for and validating the service of the Receiver’s Notice of Motion and Motion Record;

- 2) approving the Receiver's Second Report to the Court dated March 3, 2025 (the "**Second Report**") and the conduct and activities described therein;
- 3) approving the transaction for the sale (the "**Transaction**") of the real property located at 18 Veterans Rd. in the Township of Otonabee-South Monaghan, County of Peterborough and having the legal description set out in **Schedule "A"** to this Order (the "**Real Property**") pursuant to an Agreement of Purchase and Sale dated January 31, 2025 (the "**APS**") between the Receiver and 1981242 Ontario Inc. (the "**Purchaser**") and vesting in the Purchaser, the rights, title and interest of 217 in and to the Real Property;
- 4) transferring title of the Vehicles (as defined in the Second Report) from Safe Harbour Lakefield Inc. to Safe Harbour Homes Inc. ("**Homes**") and authorizing the Receiver to sell same;
- 5) sealing Confidential Appendices 1 and 2 to the Second Report; and
- 6) approving the fees and disbursements of the Receiver and its legal counsel,

was heard March 7, 2025 at 330 University Avenue, Toronto, Ontario, via videoconference.

ON READING the Second Report, and upon hearing the submissions of counsel for the Receiver and such other counsel or persons appearing at the motion,

APPROVAL OF THE TRANSACTIONS AND VESTING ORDER

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the 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 Transaction and for the conveyance of the Real Property 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 hereto as **Schedule "B"** (the "**Receiver's Certificate**"), all of 217's rights, title and interest in and to the 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, 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 May 31, 2024; and (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 "D"** 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 "C"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Real Property are hereby expunged and discharged as against the Real Property.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Peterborough (#45) 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 in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "D"** 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 Real Property, shall stand in the place and stead of the Real Property, 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 Real Property, with the same priority as they had with respect to the Real Property immediately prior to the sale, as if the Real Property 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 Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Real Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors, or any of them, and shall not be void or voidable by creditors of the Debtors, 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.

SEALING

7. **THIS COURT ORDERS** that Confidential Appendices 1 and 2 to the Second Report be and hereby are sealed pending the completion of the Transaction or a further order of the Court.

GENERAL

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 of America 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.

9. **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.

SCHEDULE “A”

REAL PROPERTY

Municipal address:

PIN: 28158-0133 (LT)

Property Description: Lot 9, Plan 45M253; Township of Otonabee-South Monaghan,
being all of PIN 28158-0133 (LT)

SCHEDULE “B” – FORM OF RECEIVER’S CERTIFICATE

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

**2174542 ONTARIO INC., SAFE HARBOUR HOMES INC. and
SAFE HARBOUR DEVELOPMENTS INC.**

Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Steele of the Ontario Superior Court of Justice (Commercial List) dated May 31, 2024, TDB Restructuring Limited was appointed as the receiver (the “**Receiver**”) of the of the assets, undertaking and properties of the Respondents, including the Lot 9, Plan 45M253; Township of Otonabee-South Monaghan (the “**Real Property**”).

B. Pursuant to an Order of the Court dated March 7, 2025, the Court approved an Agreement of Purchase and Sale (the “**APS**”) between the Receiver and 1981242 Ontario Inc. (the “**Purchaser**”), and the vesting in the Purchaser, all of the rights, title and interest of 2174542 Ontario Inc. in and to the Real Property, which vesting is to be effective with respect to the Real Property 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 Real Property; (ii) that the conditions to Closing as set out in the APS have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction contemplated by the APS (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 APS.

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 APS;
2. The conditions to Closing as set out in the APS 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].

TDB RESTRUCTURING LIMITED, in its capacity as the Court-appointed Receiver of 2174542 Ontario Inc, and not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE C – PERMITTED ENCUMBRANCES¹

- 1) Any registered reservations, restrictions, rights of way, easements or covenants that run with the Lands.
- 2) Any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service.
- 3) All Applicable Laws, by-laws and regulations and all outstanding Work Orders, deficiency notices and notices of violation affecting the Lands.
- 4) Any minor easements for the supply of utility service to the Lands or adjacent properties.
- 5) Encroachments disclosed by any errors or omissions in existing surveys of the Lands or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-laws or any other Applicable Law, by-laws or regulations which might be disclosed by a more up-to-date survey of the land and survey matters generally.
- 6) The exceptions and qualifications set forth in the Land Titles Act (Ontario).
- 7) The reservations contained in the original grant from the Crown.
- 8) Liens for taxes if such taxes are not due and payable.
- 9) Instrument No. R129315, registered on January 24, 1963, being a By-Law.
- 10) Instrument No. PE296858, registered on September 11, 2018, being a Notice of Subdivision Agreement.

¹ All terms not otherwise defined herein shall have the meaning ascribed to them in the APS.

**SCHEDULE “D” – CLAIMS TO BE DELETED AND EXPUNGED FROM TITLE
TO REAL PROPERTY**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
PE214289	2014/10/17	CHARGE	\$12,000,000	2174542 Ontario Inc.	MarshallZehr Group Inc.
PE225968	2015/06/09	CHARGE	\$16,000,000	2174542 Ontario Inc.	MarshallZehr Group Inc.
PE225969	2015/06/09	NOTICE ASSGN RENT GEN		2174542 Ontario Inc.	MarshallZehr Group Inc.
PE225979	2015/06/09	POSTPONEMENT		MarshallZehr Group Inc.	MarshallZehr Group Inc.
PE267145	2017/05/04	NOTICE ASSGN RENT GEN		MarshallZehr Group Inc.	2174542 Ontario Inc
PE267146	2017/05/04	APL (GENERAL) (Amending Charge)		2174542 Ontario Inc.	MarshallZehr Group Inc.
PE267156	2017/05/04	NOTICE ASSGN RENT GEN		2174542 Ontario Inc.	MarshallZehr Group Inc.
PE267165	2017/05/04	POSTPONEMENT		MarshallZehr Group Inc.	MarshallZehr Group Inc.
PE287361	2018/03/28	NOTICE	\$2	2174542 Ontario Inc.	MarshallZehr Group Inc.
PE296875	2018/09/11	POSTPONEMENT		MarshallZehr Group Inc.	The Corporation Of The Township Of Otonabee-South Monaghan
PE296876	2018/09/11	POSTPONEMENT		MarshallZehr Group Inc.	The Corporation Of The Township Of Otonabee-South Monaghan
PE327751	2020/02/28	NOTICE	\$2	2174542 Ontario Inc.	MarshallZehr Group Inc.
PE327760	2020/02/28	POSTPONEMENT		MarshallZehr Group Inc.	MarshallZehr Group Inc.
PE388769	2022/10/12	CHARGE	\$8,000,000	2174542 Ontario Inc.	MarshallZehr Group Inc.
PE388770	2022/10/12	NOTICE ASSGN RENT GEN		2174542 Ontario Inc.	MarshallZehr Group Inc.
PE388778	2022/10/12	RESTRICTION- LAND		2174542 Ontario Inc.	
PE408438	2023/11/23	CONSTRUCTION LIEN	\$13,442	THE KING-CON CORPORATION	

PE412525	2024/03/06	CERTIFICATE		THE KING-CON CORPORATION	
PE416626	2024/06/05	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	TDB RESTRUCTURING LIMITED
PE420856	2024/08/22	CONSTRUCTION LIEN	\$54,240	MEDI GROUP INCORPORATED	

MARSHALLZEHR GROUP INC.

Applicant

-and-

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SAFE HARBOUR DEVELOPMENTS INC.

Respondents

Court File No. CV-24-00716277-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT
TORONTO

ORDER
APPROVAL AND VESTING ORDER LOT 9

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**Lawyers for TDB Restructuring Limited, in its capacity
as Court-Appointed Receiver**