



Court File No.: CV-25-00740748-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 24TH
	)	
JUSTICE STEELE	)	DAY OF JULY, 2026

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC. and FIRST SOURCE
MORTGAGE CORPORATION**

Applicants

-and-

**HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) and HAMMER &
NAILS DEVELOPMENTS LTD. (BECKWITH STREET)**

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

ORDER
(Approval and Vesting Order)

THIS MOTION, made by TDB Restructuring Limited (“**TDB**”) in its capacity as the Court-appointed Receiver (in such capacity, the “**Receiver**”) over the lands and premises municipally known as 7 Maple Avenue North, Smiths Falls, Ontario (the “**Maple Property**”) and 161 Beckwith Street North, Smiths Falls, Ontario (the “**Beckwith Property**”), which are owned by Hammer & Nails Developments Ltd. (Maple Street) (“**Maple Street**”) and Hammer & Nails Developments Ltd. (Beckwith Street) (“**Beckwith Street**” and together with Maple Street, the “**Debtors**”) respectively, for an Order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as

vendor, and Jingjing Gao and Jianquan Yang, or their permitted assignee or nominee (the “**Purchaser**”), executed June 9, 2026 (the “**Sale Agreement**”), and vesting in the Purchaser Beckwith Street’s right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement, and including the Beckwith Property) was heard this day via Zoom videoconference.

ON READING the Motion Record of the Receiver dated July 17, 2026, the First Report of the Receiver dated July 17, 2026, containing Confidential Appendices “1” and “2” including the Sale Agreement, the Factum of the Receiver dated July 22, 2026, and on hearing the submissions of counsel for the Receiver and any such other counsel or individual as were present, no one appearing for any other person on the service list, although properly served as evidenced by the Affidavit of Amanda Marciano sworn July 17, 2026 and the Affidavit of Jessica Bugden sworn July 22, 2026, filed.

1. **THIS COURT ORDERS** that unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Sale Agreement.

APPROVAL AND VESTING

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 Beckwith Street's right, title and interest in and to the Purchased Assets described in the Sale Agreement, including the Beckwith Property (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 Osborne dated May 16, 2025; (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 Lanark (LRO #27) 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 Beckwith Property identified in Schedule B hereto in fee simple, and is hereby directed to delete and expunge from title to the Beckwith Property all of the Claims listed in Schedule C hereto, with the exception of those listed in Schedule "D" 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 Beckwith Street and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Beckwith Street;

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 Beckwith Street and shall not be void or voidable by creditors of Beckwith Street, 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.

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, 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 the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

**Jana
Steele**

Digitally signed by
Jana Steele
Date: 2026.07.24
13:24:04 -04'00'

Schedule “A” – Form of Receiver’s Certificate

Court File No.: CV-25-00740748-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC. and FIRST SOURCE
MORTGAGE CORPORATION**

Applicants

-and-

**HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) and HAMMER &
NAILS DEVELOPMENTS LTD. (BECKWITH STREET)**

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

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (the “**Court**”) dated May 16, 2025, TDB Restructuring Limited (“**TDB**”) was appointed as receiver (the “**Receiver**”) over the lands and premises municipally known 7 Maple Avenue North, Smiths Falls, Ontario (the “**Maple Property**”) and 161 Beckwith Street North, Smiths Falls, Ontario (the “**Beckwith Property**”), which are owned by Hammer & Nails Developments Ltd.

(Maple Street) (“**Maple Street**”) and Hammer & Nails Developments Ltd. (Beckwith Street) (“**Beckwith Street**”) respectively.

B. Pursuant to an Order of the Court dated July 24, 2026, the Court approved the agreement of purchase and sale executed June 9, 2026 (the “**Sale Agreement**”) between the Receiver and as vendor, and Jingjing Gao and Jianquan Yang, or their permitted assignee or nominee (the “**Purchaser**”), and provided for the vesting in the Purchaser of Beckwith Street’s right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), including the Beckwith Property, 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, respectively; 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 Court-appointed Receiver of the lands and premises municipally known as 7 Maple Avenue North, Smiths Falls, Ontario and 161 Beckwith Street North, Smiths Falls, Ontario, and not in its personal capacity and without personal or corporate liability

Per: _____

Name:

Title:

Schedule “B” – Legal Description of The Beckwith Property

PIN 05269-0273 (LT)

Address: 161 Beckwith Street North, Smiths Falls, Ontario.

Legal Description: PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS

Schedule “C” – Claims to be Deleted and Expunged from Title

PIN: 05269-0273 (LT), **LRO:** Lanark (#27)

Instrument No.	Date	Instrument Type	Amount	Parties From	Parties To
LC234446	2022/02/14	No Sec Interest	\$250,000	Evolve Services Inc.	
LC257797	2024/04/03	Charge	\$4,255,855	Hammer & Nails Developments Ltd. (Beckwith Street)	Caisse Desjardins Ontario Credit Union Inc.
LC257798	2024/04/03	No Assgn Rent Gen		Hammer & Nails Developments Ltd. (Beckwith Street)	Caisse Desjardins Ontario Credit Union Inc.
LC257799	2024/04/03	Postponement		Evolve Services Inc.	Caisse Desjardins Ontario Credit Union Inc.
LC263057	2024/09/25	Charge	\$13,326,300	Hammer & Nails Developments Ltd. (Beckwith Street)	First Source Financial Management Inc.
LC263058	2024/09/25	No Assgn Rent Gen		Hammer & Nails Developments Ltd. (Beckwith Street)	First Source Financial Management Inc.
LC263059	2024/09/25	Postponement		Evolve Services Inc.	First Source Financial Management Inc.
LC269848	2025/05/22	APL Court Order		Ontario Superior Court of Justice	TDB Restructuring Limited

Schedule “D” – Permitted Encumbrances

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. The following instruments:
 - (i) Instrument No. 27R5385
 - (ii) Instrument No. RS146037
 - (iii) Instrument No. RS146038
 - (iv) Instrument No. LC134303
 - (v) Instrument No. LC220674
 - (vi) Instrument No. LC220675
 - (vii) Instrument No. 27R12285

**FIRST SOURCE FINANCIAL - and-
MANAGEMENT INC. et al**

**HAMMER & NAILS
DEVELOPMENTS LTD. (MAPLE
STREET) et al.**

Applicants

Respondents

Court File No.: CV-25-00740748-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

ROBINS APPLEBY LLP

Barristers + Solicitors
2600 - 120 Adelaide Street West
Toronto, ON M5H 1T1

David Taub LSO No. 33518M

Email: dtaub@robapp.com

Tel: (416) 360-3354

Anisha Samat LSO No.: 82342Q

Email: asamat@robapp.com

Tel: (416) 360-1901

Lawyers for the Court-Appointed Receiver, TDB
Restructuring Limited