

Court File No. CV-24-00713287-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF SECTION 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

THE HONOURABLE JUSTICE)	FRIDAY, THE 31 st
)	
MICHAEL A. PENNY)	DAY OF JANUARY, 2025

B E T W E E N:

AFC MORTGAGE ADMINISTRATION INC.

Applicant

and

SUNRISE ACQUISITIONS (ELMVALE) INC., SAJJAD HUSSAIN,
MAHVESH HUSSAIN, MUZAMMIL KODWAVI and SAFANA KODWAVI

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Rosen Goldberg Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Sunrise Acquisitions (Elmvale) Inc., Sajjad Hussain, Mahvesh Hussain, Muzammil Kodwavi and Safana Kodwavi (the "**Debtors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Pine Valley Homes Ltd. ("**Purchaser**") dated January 9, 2025 and appended to the Second Report of the Receiver dated January 25, 2024 ("**Second Report**") and vesting in the Purchaser, the Debtor's collective right, title and interest in, and to the real property and assets described in the Sale Agreement (the "**Purchased Asset**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver, the Report and Affidavits contained therein, and on hearing the submissions of counsel for the Receiver, and the other parties listed on the counsel slip, no one appearing for any other person on the Service List, although properly served as it appears from the Affidavit of Kathy Ples sworn January 27, 2025.

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 Transactions and for the conveyance of the Purchased Asset to the Purchasers.

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 (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Asset 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 Black dated April 15, 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 Asset are hereby expunged and discharged as against the Purchased Asset.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Registry Division #51 of an Application for Vesting Order in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver, 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 ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

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.

A handwritten signature in blue ink, appearing to read "Peng J.", is written over a solid horizontal line. The signature is stylized and cursive.

Schedule A – Form of Receiver’s Certificate

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Respondents

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Black of the Ontario Superior Court of Justice (the "Court") dated April 15, 2024, Rosen Goldberg Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of Sunrise Acquisitions (Elmvale) Inc., Sajjad Hussain, Mahvesh Hussain, Muzammil Kodwavi and Safana Kodwavi (the "**Debtors**").

B. Pursuant to an Order of the Court dated April 15, 2024, the Court approved the agreement of purchase and sale made as of purchase and sale as of January 9, 2025 (the "**Sale Agreement**") between the Receiver and Pine Valley Homes Ltd. (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 section 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].

Per: _____

Schedule B

The real property legally described as

PIN 58379-0238 (LT)

DESCRIPTION PCL 6-5 SEC 51-FLOS-8; PT LT 6 CON 8 ELMVALE PT 2, 51R8051; SPRINGWATER; TOGETHER WITH AN EASEMENT OVER PART SOUTH 1/2 LOT 6 CONCESSION 8FLOS, PART 4, 51R43255 AS IN SC1851791

PIN 58379-0406 (LT)

DESCRIPTION PART S1/2 LOT 6 CON 8 FLOS BEING PART 3, PLAN 51R43255; TOGETHER WITH AN EASEMENT OVER PART SOUTH 1/2 LOT 6 CONCESSION 8 FLOS, PART 4, 51R43255 AS IN SC1851791; TOWNSHIP OF SPRINGWATER

PIN 58379-0407 (LT)

DESCRIPTION PART S1/2 LOT 6 CON 8 FLOS BEING PART 1, 51R14434 EXCEPT PART 2, 51R41145 AND PARTS 1, 2 AND 3, 51R43255; TOGETHER WITH AN EASEMENT OVER PART SOUTH 1/2 LOT 6 CONCESSION 8 FLOS, PART 4, 51R43255 AS IN SC1851791; TOWNSHIP OF SPRINGWATER

PIN 58379-0237 (LT)

DESCRIPTION PCL 6-3 SEC 51-FLOS-8; PT OF N 1/2 LT 6 CON 8 ELMVALE PT 1 & 2 51R8040, S/EASEMENT IN GROSS OVER PT 1 51R26366 AS IN SC600497; SPRINGWATER; TOGETHER WITH AN EASEMENT OVER PART SOUTH 1/2 LOT 6 CONCESSION 8FLOS, PART 4, 51R43255 AS IN SC1851791

PIN 58379-0163 (LT)

DESCRIPTION PT N1/2 LT 6 CON 8 FLOS AKA TRAIN AV DESIGNATED PART 1, PLAN 51R43404; TOGETHER WITH AN EASEMENT OVER PART SOUTH 1/2 LOT 6 CONCESSION 8FLOS, PART 4, 51R43255 AS IN SC1851791; SUBJECT TO AN EASEMENT IN GROSSAS IN SC1895256; TOWNSHIP OF SPRINGWATER

ADDRESS 74 Yonge Street South Elmvale Ontario and 5 and 6 Train Avenue, Elmvale, Ontario

(the “**Real Property**”)

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

Registration Number	Date	Instrument Type
SC1797693	2021/06/28	CHARGE
SC1797694	2021/06/28	NO ASSGN RENT GEN
SC1910220	2022/06/30	TRANSFER OF CHARGE
SC1910221	2022/06/30	NO ASSGN RENT GEN
SC1940185	2022/10/27	CHARGE
SC1940186	2022/10/27	NO ASSGN RENT GEN
SC1940187	2022/10/27	CHARGE
SC1940188	2022/10/27	NO ASSGN RENT GEN
SC1952031	2022/12/15	APL CH NAME OWNER
SC1978659	2023/05/10	CHARGE
SC2023765	2023/11/22	CHARGE
SC2033738	2024/01/17	TRANSFER OF CHARGE
SC2033739	2024/01/17	TRANSFER OF CHARGE
SC2050054	2024/04/17	APL COURT ORDER

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)**

1. The reservations, limitations, provisos, conditions, restrictions and exceptions expressed in the letters patent or grant from the Crown and all statutory exceptions to title;
2. The provisions of governing municipal by-laws;
3. Municipal taxes, liens, charges, including hydro and water charges, rates and assessments accruing from day to day and not yet due and payable;
4. Any minor encroachments which might be revealed by an up-to-date survey of the Premises but which do not materially adversely affect the use and marketability of the Premises;
5. Any right of expropriation conferred upon, reserved to or vesting in Her Majesty the Queen in Right of Canada and Ontario;
6. Any agreements, restrictions or covenants that run with the Premises and any agreements with the municipal, utilities or public authorities provided that same have been complied with in all material respects and do not materially adversely affect the use and marketability of the Premises;
7. Any easements, rights of way or right of re-entry, which do not impair the intended use of the Premises, by the Purchaser, and provided that same have been complied within all material respects and do not materially adversely affect the use and marketability of the Premises; and
8. The following instruments registered on title to the Premises in the Simcoe Land Registry Office:

Registration Number	Date	Instrument Type
EL176	1955/10/18	BYLAW
RO74336	1957/09/19	BYLAW
51R5075	1975/09/19	PLAN REFERENCE
51R8040	1978/08/10	PLAN REFERENCE
FAD341	1978/08/23	APL FIRST REGN
51R8051	1978/08/29	PLAN REFERENCE
51R14434	1986/05/23	PLAN REFERENCE
51R26366	1996/09/24	PLAN REFERENCE
SC600497	2007/11/09	TRANSFER EASEMENT
51R41145	2017/08/22	PLAN REFERENCE
SC1529481	2018/08/01	APL ANNEX REST COV
51R43255	2021/11/25	PLAN REFERENCE
51R43404	2022/03/16	PLAN REFERENCE
SC1895060	2022/05/11	BYLAW

F1087

F409