

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



THE HONOURABLE
JUSTICE MESBUR

) THURSDAY, THE 3rd
)
) DAY OF AUGUST, 2017

BETWEEN:

SIDNEY STREET PROPERTIES CORP.

Applicant

- and -

2428049 ONTARIO INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of the Respondent (the "Debtor") for an order, among other relief, approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale or offer to purchase executed June 1, 2017, as amended (the "Sale Agreement") between the Receiver and Toronto Capital Corp. ("Toronto Capital") as accepted by Sidney Street Properties Corp., Rentx Properties Corp. and Rentx Transportation Services Corp. and appended to the Report of the Receiver dated July 27, 2017 (the "Second Report"), and vesting in 2589989 Ontario Inc. (the "Purchaser"), as the assignee of Toronto Capital's rights, obligations and title under the Sale Agreement, the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver and any one appearing for any other person on the service list, as properly served as appears from the affidavit of Michelle Pham sworn July 27, 2017, filed:

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 completion of the Sale Agreement and 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 including the real property described 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 Penny dated December 13, 2016; (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 Hastings (No. 21) 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 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 settlement, 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.

8. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

9. THIS COURT ORDERS that the Second Report and the actions and activities of the Receiver as described in the Second Report are hereby approved.

10. THIS COURT ORDERS that the fees and disbursements of the Receiver in the amount of \$61,332.04 including taxes are hereby approved.

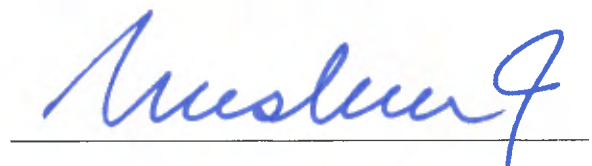
11. THIS COURT ORDERS that the fees and disbursements of the Receiver's counsel in the amount of \$73,331.57 including taxes are hereby approved.

12. THIS COURT ORDERS that the receipts and disbursements of the Receiver, as set out in the Second Report, are hereby approved.

13. THIS COURT ORDERS the sealing of Confidential Appendices "1" and "2" to the Second Report until completion of the Transaction under the Sale Agreement, or further order of this Court.

14. THIS COURT ORDERS that, for greater certainty, the real estate commission payable upon the completion of the Transaction is the amount set out in Appendix "E" to the Second Report.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:
AUG 03 2017



PER / PAR:



Schedule A – Form of Receiver’s Certificate

Court File No. CV-16-11565-00CL

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

B E T W E E N:

SIDNEY STREET PROPERTIES CORP.

Applicant

- and -

2428049 ONTARIO INC.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (the "Court") dated December 13, 2016, BDO Canada Limited was appointed as the receiver (the "Receiver") of the undertaking, property and assets of the Respondent (the "Debtor").

B. Pursuant to an Order of the Court dated August 3, 2017, the Court approved the agreement of purchase and sale or offer to purchase made as of June 1, 2017 (the "Sale Agreement") between the Receiver and Toronto Capital Corp. ("Toronto Capital") as accepted by Sidney Street Properties Corp., Rentx Properties Corp. and Rentx Transportation Services Corp., and vesting in 2589989 Ontario Inc. (the "Purchaser"), as the assignee of Toronto Capital's rights, obligations and title under the Sale Agreement, 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 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 on ● , 2017.

**BDO CANADA LIMITED, in its capacity as
Receiver of the undertaking, property and
assets of the Respondent, and not in its
personal capacity**

Per: _____

Name:

Title:

Schedule B – Legal Description of Real Property

PIN 40457-0153 (LT)

PT LT 7, 11 RCP 1819 SIDNEY PT 1 21R19819; BELLEVILLE; COUNTY OF HASTINGS

PIN 40457-0148 (LT)

PT LT 7, 10-11 RCP 1819 SIDNEY PT 2 21R19819; BELLEVILLE; COUNTY OF HASTINGS

Municipally known as 250 Sidney Street, Belleville, Ontario.

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
(1) HT162547	2014/10/15	CHARGE	\$2,170,000	2428049 ONTARIO INC.	SIDNEY STREET PROPERTIES CORP.
(2) HT175724	2015/08/05	CONSTRUCTION LIEN	\$100,491	HAMILTON SMITH LIMITED	
(3) HT178289	2015/09/22	CERTIFICATE		HAMILTON SMITH LIMITED	
(4) HT195178	2016/09/01	NOTICE OF LEASE		2428049 ONTARIO INC.	AVAYA CANADA CORP

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

(unaffected by the Vesting Order)

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
(1) HT111849	2011/09/19	CERTIFICATE		ONTARIO MINISTRY OF THE ENVIRONMENT	PALMER ROAD PROPERTIES CORP.

(1) any easements, rights of way or licenses for any purpose whatsoever located on, around, over or upon the Real Property and required in connection therewith;

(2) any site plan agreements or references, development agreements or subdivision agreements required by any governmental or municipal authority in connection with the Real Property and/or the subdivision of same, whether registered on title or not;

(3) any encroachments by the buildings located on the Real Property unto any adjoining property or street and any encroachments by any structure located on adjoining property unto the Real Property; and

(4) any work orders, notice of infractions or other municipal stop orders or deficiencies.

Sidney Street Properties Corp.
Applicant

and

2428049 Ontario Inc.
Respondent

Court File No. CV-16-11565-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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of the Respondent, BDO Canada Limited