

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

THE HONOURABLE MR. ) THURSDAY, THE 26<sup>th</sup> DAY  
JUSTICE McEWEN ) JULY, 2018



**CHINA MACHINERY ENGINEERING CORPORATION**

Applicant

-and-

**2284649 ONTARIO INC., 2270613 LIMITED PARTNERSHIP and  
2270613 ONTARIO INC.**

Respondents

Application Under Section 101 of the *Courts of Justice Act*, R.S.O. 1990,  
c.C.43, as amended, and Section 243 of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c.B-3, as amended

**ORDER**

**THIS MOTION** made by 2284649 Ontario Inc. (the “**Debtor**”), 2270613 Limited Partnership and 2270613 Ontario Inc. (together with the Debtor, the “**Respondents**”), for an order, among other things, lifting the stay of proceedings contained in the Order of the Honourable Mr. Justice McEwen dated February 6, 2018 (the “**Receivership Order**”), to permit the Debtor to redeem the mortgage in favour of the Applicant (the “**Mortgage**”), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavits of Yueqing Zhang sworn July 19 and 24, 2018, the affidavit of Steve Hanley sworn July 19, 2018 and the Second Report of KSV Kofman Inc., in its capacity as receiver and manager (the “**Receiver**”) and on hearing the submissions of counsel for

the Receiver, the Applicant and the Respondents, no one else appearing although duly served as appears from the affidavit(s) of service, filed:

1. **THIS COURT ORDERS** that the stays of proceedings contained in paragraphs 8, 9 and 10 of the Receivership Order be and are hereby lifted for the sole purpose of permitting the Respondents to redeem the Mortgage on or before August 31, 2018 (the “**Redemption**”), until the earlier of (i) September 1, 2018, (ii) the date upon which the Respondents fail to satisfy any of the Lift Stay Conditions (defined below), or (iii) the date upon which the Redemption fails to close in accordance with its terms.

2. **THIS COURT ORDERS** that the Respondents shall:

- (a) Pay to the Receiver a non-refundable initial deposit of CAD\$550,000 by 5:00pm on July 31, 2018;
- (b) Pay to the Applicant’s counsel, a second non-refundable deposit of USD\$1,000,000 by 5:00pm on Friday August 3, 2018, which amount shall be applied to reduce the Respondents’ outstanding secured debt to the Applicant;
- (c) By 11:59pm August 17, 2018 provide the Receiver with either (i) written notice of the Respondents’ compliance with the “Advance Notice” and associated payment obligations contained in the Availability section of the Standby Credit Facility letter forming Exhibit G to the July 24, 2018 Yuequing Zhang Affidavit, or (ii) evidence satisfactory to the Receiver of committed alternative financing in place of the Standby Credit Facility, provided that any such alternative financing must have a closing date of no later than August 31, 2018.

(collectively, the “**Lift Stay Conditions**”)

3. **THIS COURT ORDERS** that, only if all of the Lift Stay Conditions have been satisfied, the Receiver, the Applicant and the Respondents shall schedule an in-chambers appointment with the Commercial List Office to approve the terms of an order discharging the Receiver, to be effective upon the filing of a certificate by the Receiver certifying that the conditions precedent to the Redemption have been satisfied or waived, such order to be issued by a Judge of the Commercial List.

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

JUL 27 2018

PER / PAR:



**BETWEEN:**

**CHINA MACHINERY ENGINEERING CORPORATION**      - and -  
Applicant

**2284649 ONTARIO INC., 2270613 LIMITED PARTNERSHIP and  
2270613 ONTARIO INC.**  
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**ORDER – July 26, 2018**

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