

Court File No.

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

BETWEEN:

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

**APPLICATION RECORD OF THE APPLICANT
(Returnable February 6, 2018)**

February 5, 2018

DAVIES WARD PHILLIPS & VINEBERG LLP

155 Wellington Street West
Toronto, ON M5V 3J7

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Lawyers for the Applicant

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NOTICE OF APPLICATION

TO: THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED BY THE APPLICANT. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List at 330 University Avenue, Toronto on Tuesday, February 6, 2018 at 9:00 a.m. or as soon after that time as the matter can be heard.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the Application, or to be served with any documents in the Application, you or an Ontario lawyer acting for you must forthwith prepare a Notice of Appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your Notice of Appearance, serve a copy of the evidence on the Applicant's lawyer and file it, with proof of service, in the court office where the Application is to be heard as soon as possible, but at least 2 days before the hearing.

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IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: February , 2018

Issued by: _____

Address of Court Office:

330 University Avenue, 7th Floor
Toronto, ON M5G 1R7

TO: 2284649 Ontario Inc.
3601 Highway 7 East, Suite 903
Markham, ON L3R 0M3

AND TO: 2270613 Limited Partnership
3601 Highway 7 East, Suite 903
Markham, ON L3R 0M3

AND TO: 2270613 Ontario Inc.
3601 Highway 7 East, Suite 903
Markham, ON L3R 0M3

APPLICATION

1. The Applicant, China Machinery Engineering Corporation ("**CMEC**"), makes application for:

- (a) an Order abridging the time for, and validating the service of, the Application such that it is properly returnable on February 6, 2018;
- (b) an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"), and section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), appointing KSV Kofman Inc. ("**KSV**") as receiver and manager of all of the assets, undertakings and properties of 2284649 Ontario Inc., including all of the real property for which 2284649 Ontario Inc. is the registered owner as set out on Schedule "A" hereto (collectively, the "**Real Property**") and all of the assets, undertakings and properties of 2270613 Limited Partnership and 2270613 Ontario Inc. acquired for, or used in relation to the Real Property (together with the Real Property, the "**Property**");
- (c) its costs of this Application, together with any applicable taxes; and
- (d) such further and other relief as counsel may advise and this Honourable Court deems just.

THE GROUNDS FOR THE APPLICATION ARE:

2. 2284649 Ontario Inc. (the "**Debtor**") is a corporation incorporated under the laws of Ontario, with its head office in Markham. It is the owner and developer of lands municipally known as 250, 252, 254 and 256 Phillips Street in Waterloo, Ontario (the "**Lands**") on which it has built, or has proposed to build, four residential or mixed residential/commercial buildings intended to be rental units for students attending the nearby universities (the "**Waterloo Project**"). The Debtor holds registered title to the Lands for and on behalf of 2270613 Limited Partnership ("**Debtor LP**") as its bare trustee and nominee, pursuant to an intercompany arrangement among the Debtor, Debtor LP, and 2270613 Ontario Inc. ("**Debtor GP**"), the general partner of Debtor LP.
3. Pursuant to a commitment letter dated June 9, 2014, the Applicant CMEC provided a secured loan (the "**Loan**") to the Debtor in the amount of US\$61,380,000 and originally accruing interest at a rate of 2.9748% *per annum* (subsequently amended to a rate of 2.9930% *per annum*), and with a loan maturity date of June 11, 2016, in order to fund the construction of the first of the student housing buildings.
4. The Debtor's obligations under the Loan are guaranteed by the ultimate parent entity within the Debtor's corporate group.
5. In connection with the Loan, the Debtor granted CMEC security, including a Mortgage and Charge, as well as a General Security Agreement.
6. The Loan had a maturity date of June 11, 2016. The Loan was not repaid upon maturity, and the Debtor is and remains in default of its obligations.

7. The construction of the first building was substantially completed on November 16, 2015, and units in the building are being rented by the Debtor to university students.

8. CMEC and the Debtor are also party to a construction contract dated January 22, 2013 (as amended, the "**Construction Contract**") whereby CMEC agreed to act as general contractor in respect of phase 1 of the Waterloo Project. CMEC is entitled to the contract price of US\$80,300,000 plus interest at the rate of prime plus 3% *per annum* on amounts in default under the Construction Contract. CMEC asserts that an amount of approximately US\$10.89 million remains outstanding under the Construction Contract, although the Debtor disputes the quantum of such outstanding amounts. This dispute will be dealt with in the course of this receivership.

9. As at the date hereof, US\$59,038,263, inclusive of capitalized interest up to June 11, 2017 but excluding other interest, costs and other expenses is owing by the Debtor to CMEC under the Loan.

10. CMEC has made a written demand for repayment of the Loan, and provided the Debtor with Notice of its Intention to Enforce its Security in accordance with section 244 of the BIA.

11. The Debtor, Debtor LP and Debtor GP have consented to the appointment of KSV as receiver and manager of the Property.

12. KSV has consented to act as receiver and manager.

13. Section 101 of the CJA and Section 243 of the BIA.

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14. Rules 1.04, 2.03, 3.02, 14.05 and 38 of the *Rules of Civil Procedure*, R.R.O 1990, Reg. 194.

15. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Application:

- (a) the Affidavit of Zhang Xiaofan, sworn February 5, 2018, and the exhibits attached thereto;
- (b) the Consent of KSV Kofman Inc.; and
- (c) such further and other materials as counsel may advise and this Honourable Court may permit.

February , 2018

Davies Ward Phillips & Vineberg LLP

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Toronto, ON M5V 3J7

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Lawyers for the Applicant

SCHEDULE "A"
LEGAL DESCRIPTION OF THE REAL PROPERTY

The real property legally described by the following PINs:

- a. 22365-0226 (LT)
- b. 22365-0227 (LT); and
- c. 23614-0001 (LT) through to and including 23614-0210 (LT).

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**AFFIDAVIT OF ZHANG XIAOFAN
Sworn February 5, 2018**

I, ZHANG XIAOFAN, of the Municipality of Beijing, in the People's Republic of China, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Project Manager of the Applicant, China Machinery Engineering Corporation ("**CMEC**"). As such, I have personal knowledge of the matters hereinafter deposed to in this Affidavit, except where I state that I am relying upon information and belief, in which case I believe such information to be true.

A. Parties

2. The secured creditor Applicant, CMEC, is a corporation incorporated under the laws of the People's Republic of China (the "**PRC**"). CMEC is a construction and engineering company, and has its head office in Beijing, the PRC.

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3. The Respondent, 2284649 Ontario Inc. (the "**Debtor**"), is a corporation incorporated under the laws of Ontario. The Debtor's head office is located in Markham, Ontario.

4. The Respondent, 2270613 Limited Partnership ("**Debtor LP**"), is the beneficial title holder in respect of the Waterloo Project and the Lands (defined below). The Debtor holds legal title to the Lands for and on behalf of Debtor LP as its bare trustee and nominee pursuant to an intercompany arrangement among the Debtor, Debtor LP, and 2270613 Ontario Inc. ("**Debtor GP**"), the general partner of Debtor LP.

5. If approved by the Court, it is proposed that the scope of this receivership will extend to the assets of the Debtor, and to those assets, undertakings and properties of Debtor LP and Debtor GP only to the extent that such assets have been or are acquired for or used in relation to the Lands subject to CMEC's security, as set out below.

B. The Waterloo Project

6. This application arises in connection with the development by the Debtor of a multi-phase project (the "**Waterloo Project**") located on the lands municipally known as 250, 252, 254, and 256 Phillip Street, in the City of Waterloo (the "**Lands**").

7. Once fully built, the Waterloo Project is intended to consist of the following buildings, each of which is proposed to be a separate registered condominium, with the units to be rented to university students:

- (a) Parcel 'A' - 256 Phillip Street - mixed residential/commercial building containing 106 residential units and 6 commercial units;

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- (b) Parcel 'B' - 250 Phillip Street - mixed residential/commercial building containing 107 residential units and commercial units;
- (c) Parcel 'C' - 254 Phillip Street - residential building containing a maximum of 119 residential units; and
- (d) Parcel 'D' - 252 Phillip Street - residential building containing a maximum of 119 residential units.

8. Each of the buildings in the Waterloo Project is intended to be used for rental housing for students attending the nearby University of Waterloo and Wilfred Laurier University. I understand that it was the Debtor's intention that, once built, each building would be registered as a condominium, and then transferred to a real estate investment trust established by other entities within the Debtor's corporate group.

9. As of the date hereof, the residential student housing buildings on Parcels A and C (Phases 1 and 2) have been fully constructed and units in these buildings are being rented to students. Construction work has recently started on Parcel D (Phase 3) of the Lands.

10. Although the four parcels and the buildings situated or to be situated on them have been divided into separate legal parcels by registration of plans of condominium or severances, the Waterloo Project is intended to function as a single overall complex with integrated infrastructure such as one underground parking garage, a shared drinking water system, integrated plumbing and electrical, shared public art installations, and landscaping.

11. In recognition of their integrated nature, the Lands are subject to a shared facilities agreement (the "**Shared Facilities Agreement**"), which provides for control and integration of the use, operation, maintenance, repair, replacement and cost-sharing of the shared facilities, easements relating to access across the different parcels, and shared services.

12. The Shared Facilities Agreement is intended to bind all owners of any part of the Lands and provides that the rights and obligations in the agreement will be assumed by every purchaser of any part of the Lands, except purchasers of individual units in a registered condominium.

C. The Loan

13. In June 2014, CMEC provided a secured loan in the principal amount of US\$61,380,000 to the Debtor (the "**Loan**") to fund the construction of the first phase of the Waterloo Project (being 256 Phillip Street and referred to above as "**Parcel A**"), which the Debtor failed to repay upon maturity on June 11, 2016 (the "**Loan Maturity Date**"). Pursuant to a commitment letter dated June 9, 2014 (the "**Commitment Letter**"), CMEC provided the Loan to the Debtor for the construction of the first of the four proposed buildings to be built on the Lands. The first completed building was built on Parcel A (the "**Parcel A Building**") and is a 20 story mixed residential/commercial student housing building.

14. The Loan was in the principal amount of US\$61,380,000, with interest accruing, initially at 2.9748% per annum (later amended to 2.9930% per annum). The Loan was fully drawn down by way of advances to fund the construction of the Parcel A Building.

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15. The Loan is secured by a mortgage and charge (the "**Mortgage**") on the Lands. The Mortgage was registered on title to the Lands (then comprised of the four Parcels A, B, C, and D) on June 9, 2014. The Loan is also secured by a general security agreement and supported by a guarantee from another entity within the Debtor's corporate group.

D. Amendments to the CMEC Mortgage

16. On May 27, 2015, the Commitment Letter and the Mortgage were amended by written agreement, and the amendment to the Mortgage was registered on title to the Lands. Among other amendments, the quantum and date of advances under the Loan were extended to October 2015, and the interest rate on the Loan was increased to 2.9930% per annum. Notwithstanding these amendments, aggregate interest payable under the CMEC Loan remained unchanged.

17. On June 6, 2016, further amendments were made to the Mortgage, with the amending document registered on title to the Lands.

18. Pursuant to the June 6, 2016 amendment of the Mortgage, CMEC granted a partial discharge of the Mortgage from Parcel C in return for a partial repayment under the Loan of US\$7,400,000 (comprised of interest in the amount of US\$3,738,631 and principal in the amount of US\$3,661,369). The partial discharge of the Mortgage from Parcel C was obtained by the Debtor in order to permit it to place separate mortgage financing on Parcel C in order to proceed with construction on Parcel C. As a result, security under the Mortgage held by CMEC is currently held over Parcels A, B, and D, but not Parcel C. Registered title to Parcel C is now in the name of a separate entity within the Debtor's corporate group.

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19. As of the date hereof, the Mortgage is the first ranking security over the Lands (Parcels A, B, and D).

E. The Debtor Defaults on the CMEC Loan

20. As stated above, the Loan Maturity Date on the Loan was June 11, 2016. On the Loan Maturity Date, the Debtor failed to re-pay the Loan and became in default. That default continues. Other than the payments made to obtain a partial discharge of the Mortgage from Parcel C in order to proceed with construction of Phase 2 on Parcel C, as referred to in paragraph 18 above, the Debtor has never made any payments of interest or principal on the CMEC Loan.

21. Since the date of the Debtor's default on the June 11, 2016 Loan Maturity Date, CMEC has formally issued a notice of default under the Loan on June 14, 2016 and April 20, 2017. CMEC has also issued a notice of default and demand for payment under the Guarantee. On November 6, 2017, CMEC delivered a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act*.

22. To date, the defaults under the Loan have not been remedied by either the Debtor or its affiliate as Guarantor of the Loan.

23. As of December 20, 2017, the Debtor is indebted to CMEC under the Loan in the amount of US\$59,038,263, inclusive of capitalized interest up to June 11, 2017 but excluding other interest, costs and other expenses, which amounts are due to CMEC in full as of the date hereof.


24. In addition to the Debtor's outstanding indebtedness under the Loan as described above, the Debtor is also party to a construction contract with CMEC (the

economically sensible in the circumstances to continue construction on Parcel D, as well as whether financing for such ongoing construction is available.

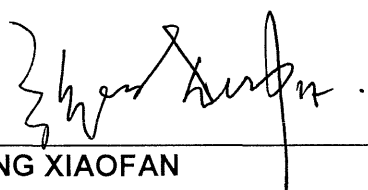
27. Due to the complexity of the ownership and development arrangements in respect of the Lands, CMEC seeks the appointment of a receiver and manager by the court, rather than pursuant to CMEC's right to appoint a receiver privately pursuant to the terms of the Mortgage. For example, the Lands subject to the Mortgage are integrated and share common facilities with a property (Parcel C) which is not subject to the Mortgage and is still owned by an affiliate of the Debtor. A third party holds a first-ranking security interest in Parcel C, which interests do not intersect with those of CMEC in respect of Parcels A, B, and D in the present application.

28. The fact that Parcel D is now under active development, combined with the fact that Parcel C is owned by an affiliate of the Debtor, will require a receiver and manager with broad powers to preserve the value of these assets and maximize realization through an court supervised sales process. In order to fulfill this mandate effectively, the receiver and manager will be required to negotiate with numerous stakeholders including tradespersons and potential lien holders, the municipality, and the Parcel C owners, while addressing additional issues that may arise relating to the financing and continuation of construction.

SWORN / AFFIRMED BEFORE ME at)
the City of Toronto, in the Province of)
Ontario, this 5th day of February, 2018.)



Commissioner for Oaths / Affidavits
Jesse Mighton



ZHANG XIAOFAN

SCHEDULE "A"**LEGAL DESCRIPTION OF THE REAL PROPERTY**

The real property legally described by the following PINs:

- a) 22365-0226 (LT)
- b) 22365-0227 (LT); and
- c) 23614-0001 (LT) through to and including 23614-0210 (LT).

China Machinery Engineering Corporation and **2284649 Ontario Inc. et al.**
Applicant Respondents

Court File No: CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

**AFFIDAVIT OF ZHANG XIAOFAN
Sworn February 5, 2018**

Davies Ward Phillips & Vineberg LLP
40th Floor, 155 Wellington Street West
Toronto, ON M5V 3J7

James Doris (LSUC #33236P)

jdoris@dwpv.com

Tel: 416.367.6919

Jesse Mighton (LUSC #62291J)

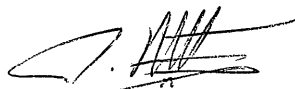
jmighton@dwpv.com

Tel: 416.367.7572

Fax: 416.863.0871

Lawyers for the Applicant

This is Exhibit "A" referred to in the Affidavit of
Zhang Xiaofan sworn February 5, 2018.



Commissioner for Taking Affidavits (or as may be)
Jesse Mighton

Court File No.

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

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CONSENT

WHEREAS China Machinery Engineering Corporation ("**CMEC**") (as lender) and 2284649 Ontario Inc. (as borrower) (the "**Debtor**") are party to a secured loan agreement dated June 9, 2014 (as amended by written agreement dated May 27, 2015, the "**Loan**");

AND WHEREAS Loan is secured by: (i) a mortgage and charge between CMEC and 2284649 Ontario Inc. dated June 9, 2014 (as amended by written agreements dated May 27, 2015 and June 6, 2016 (the "**Mortgage**")); (ii) a general security agreement in favour of CMEC; and (iii) a guarantee in favour of CMEC from an entity within the Debtor's corporate group;

- 2 -

AND WHEREAS the Loan is in default and on November 6, 2017, CMEC issued a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* in respect of amounts outstanding under the Loan;

AND WHEREAS as of the date hereof, the amounts outstanding under the Loan remain unpaid.

NOW THEREFORE:

1. In connection with CMEC's application for the appointment of a receiver and manager in this matter, returnable on February 6, 2018, the Debtor hereby consents to the appointment of KSV Advisory Inc. as receiver and manager of all assets, undertakings and properties of 2284649 Ontario Inc., including the real property for which 2284649 Ontario Inc. is the registered owner as set out on Schedule "A" hereto (collectively, the "**Real Property**"), and all of the assets, undertakings and properties of 2270613 Limited Partnership and 2270613 Ontario Inc. acquired for or used in relation to the Real Property.

2. The Debtor, 2270613 Limited Partnership and 2270613 Ontario Inc. otherwise reserve all of their rights and remedies including, without limitation, in relation to the amounts outstanding under the Loan, any other amounts claimed to be owing to CMEC and any other matters relating to the receivership proceedings.

DATED at Toronto, this 5th day of February, 2018.

2284649 ONTARIO INC.

by 
Name: Julia Zhang
Title: Chief Executive Officer

**2270613 ONTARIO INC., IN ITS
CAPACITY AS GENERAL PARTNER
OF 2270613 LIMITED PARTNERSHIP**

by 
Name: Julia Zhang
Title: Chief Executive Officer

2270613 ONTARIO INC.

by 
Name: Julia Zhang
Title: Chief Executive Officer

SCHEDULE "A" TO THE CONSENT
LEGAL DESCRIPTION OF THE REAL PROPERTY

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China Machinery Engineering Corporation

and

2286469 Ontario Inc. et al.

Applicant

Respondents

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SUPERIOR COURT OF JUSTICE
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Proceeding commenced at Toronto

CONSENT

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Lawyers for the Applicant

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c. C.43, as amended, and Section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended

CONSENT

The undersigned, KSV Kofman Inc., hereby consents to act as receiver and receiver and manager, without security, of all assets, undertakings and properties of 2284649 Ontario Inc., including the real property for which 2284649 Ontario Inc. is the registered owner as set out on Schedule "A" hereto (collectively, the "**Real Property**"), and all of the assets, undertakings and properties of, 2270613 Limited Partnership, and 2270613 Ontario Inc. acquired for, or used in relation to the Real Property pursuant to the provisions of 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, and the terms of an order substantially in the form filed in the above proceeding.

DATED at Toronto, this 5th day of February, 2018.

KSV KOFMAN INC

by 

Name: David Sieradzki

Title: Managing Director

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Fax: 416.863.0871

Lawyers for the Applicant

DRAFT

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	TUESDAY, THE 6 TH DAY
)	
MR. JUSTICE McEWEN)	OF FEBRUARY, 2018

CHINA MACHINERY ENGINEERING CORPORATION

Applicant

- and -

**2284649 ONTARIO INC., 2270613 LIMITED PARTNERSHIP, and
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c. C.43, as amended, and Section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended

**ORDER
(Appointing Receiver)**

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing KSV Kofman Inc. ("**KSV**") as receiver and manager (in such capacities, the "**Receiver**"), without security, of all assets, undertakings and properties of 2284649 Ontario Inc., including the real property for which 2284649 Ontario Inc. is the registered owner as set out on **Schedule "A"** hereto (collectively, the "**Real Property**"), and all of the assets, undertakings and properties of 2270613 Limited Partnership and 2270613 Ontario Inc. (collectively, the "**Debtors**") acquired for, or used

in relation to the Real Property (together with the Real Property, the "**Property**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Zhang Xiaofan sworn February 5, 2018 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant and the Respondents, and on reading the Consent of KSV to act as the Receiver,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV is hereby appointed Receiver, without security, of the Property.

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

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- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors in respect of the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business in respect of the Property, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors in respect of the Property;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors in respect of the Property or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors in respect of the Property and to exercise all remedies of the Debtors in collecting such monies, including, without

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limitation, to enforce any security held by the Debtors in respect of the Property;

- (g) to settle, extend or compromise any indebtedness owing to the Debtors in respect of the Property;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors in respect of the Property, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

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- (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act* or section 31 of the *Ontario Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

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on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- (p) to assign 2284649 Ontario Inc. into bankruptcy;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the 2284649 Ontario Inc., including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by 2284649 Ontario Inc.;
- (r) to make or cause to be made such appraisal and investigation of the Property and affairs of the Debtors as to enable the Receiver to examine any disposition or transfer of the Property prior to the date hereof;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have in respect to the Property; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that: (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and

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shareholders, and all other persons acting on the Debtors' instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Property and the business or affairs of the Debtors in respect of the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by

independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that any bank holding accounts in the name of 2284649 Ontario Inc. or any corporate name previously held by 2284649 Ontario Inc., or other bank accounts related to the Property shall provide KSV, in its capacity as Receiver, with immediate access to, and full authorization over, such bank accounts.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors in respect of the Property or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors in respect of the Property or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtors in respect of the Property, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Debtors to carry on any business which the Debtors is not lawfully entitled to carry on; (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors in respect of the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors in respect of the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors in respect of the Property are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post

Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that the Receiver may, but is not obligated to, enter into one or more agreements with any entity that employs individuals who provide services in respect of the Property or the Debtors. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. The provisions of paragraph 12, above, shall apply without limitation to any arrangements entered into by the Receiver pursuant to this paragraph.

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such

information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "B"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in

accordance with the Protocol with the following URLs: ksvadvisory.com/insolvency-cases/2284649-ontario-inc/, ksvadvisory.com/insolvency-cases/2270613-limited-partnership/, and ksvadvisory.com/insolvency-cases/2270613-ontario-inc/.

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors in respect of the Property or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

29. **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.

30. **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, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"**LEGAL DESCRIPTION OF THE REAL PROPERTY**

The real property legally described by the following PINs:

- a) 22365-0226 (LT)
- b) 22365-0227 (LT); and
- c) 23614-0001 (LT) through to and including 23614-0210 (LT).

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Kofman Inc., the receiver (the "**Receiver**") of all real property for which 2284649 Ontario Inc. is the registered owner as set out on **Schedule "A"** hereto (collectively, the "**Real Property**") and all of the assets, undertakings and properties of, 2270613 Limited Partnership and 2270613 Ontario Inc. (collectively, the "**Debtors**") acquired for, or used in relation to the Real Property (together with the Real Property, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 6th day of February, 2018 (the "**Order**") made in an action having Court file number CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by

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the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

KSV ADVISORY INC., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SCHEDULE "A" TO THE RECEIVER'S CERTIFICATE
LEGAL DESCRIPTION OF THE REAL PROPERTY

The real property legally described by the following PINs:

- a. 22365-0226 (LT)
- b. 22365-0227 (LT); and
- c. 23614-0001 (LT) through to and including 23614-0210 (LT).

China Machinery Engineering Corporation and **2284649 Ontario Inc. et al.**

Applicant

Respondents

Court File No: CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

**ORDER
(Appointing Receiver)**

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON M5V 3J7

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Fax: 416.863.0871

Lawyers for the Applicant

~~C Revised: January 21, 2014 s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~ourt File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) ~~WEEKDAY~~TUESDAY, THE #6TH
) ~~DAY OF MONTH, 20YR~~
MR. JUSTICE ~~_____~~McEWEN)
) OF FEBRUARY, 2018

PLAINTIFF¹

Plaintiff

CHINA MACHINERY ENGINEERING CORPORATION

Applicant

- and -

DEFENDANT

Defendant

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
(~~appointing~~ Appointing Receiver)

¹~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

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THIS MOTION made by the ~~Plaintiff~~²-Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing ~~[RECEIVER'S NAME]~~-KSV Kofman Inc. ("KSV") as receiver ~~[and manager]~~-(in such capacities, the "Receiver")-without security, of all ~~of the~~ assets, undertakings and properties of ~~[DEBTOR'S NAME]~~-2284649 Ontario Inc., including the real property for which 2284649 Ontario Inc. is the registered owner as set out on **Schedule "A"** hereto (the "~~Debtor~~ collectively, the "Real Property"), and ~~all of the assets, undertakings and properties of~~ 2270613 Limited Partnership and 2270613 Ontario Inc. (collectively, the "**Debtors**") acquired for, or used in relation to ~~a business carried on by the Debtor~~the Real Property (together with the Real Property, the "**Property**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the ~~affidavit of [NAME]~~-Affidavit of Zhang Xiaofan sworn ~~[DATE]~~-February 5, 2018 and the Exhibits thereto-and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE]-the Applicant and the Respondents, and on reading the ~~consent of [RECEIVER'S NAME]~~-Consent of KSV to act as the Receiver,

²-Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~ KSV is hereby appointed Receiver, without security, of ~~all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property")~~ the Property.

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

³ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

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- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the ~~Debtor~~Debtors in respect of the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business in respect of the Property, cease to carry on all or any part of the business, or cease to perform any contracts of the ~~Debtor~~Debtors in respect of the Property;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the ~~Debtor~~Debtors in respect of the Property or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Debtors in respect of the Property and to exercise all remedies of the ~~Debtor~~Debtors in collecting such monies, including,

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without limitation, to enforce any security held by the ~~Debtor~~Debtors in respect of the Property;

- (g) to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Debtors in respect of the Property;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the ~~Debtor~~Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor~~Debtors in respect of the Property, the Property or the Receiver, and to settle or compromise any such proceedings. ⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

~~⁴This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

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- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
- (i) without the approval of this Court in respect of any transaction not exceeding \$~~_____~~100,000, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act*, ~~[~~or section 31 of the *Ontario Mortgages Act*, as the case may be,⁵ ~~]~~ shall not be required, and in each case the Ontario Bulk Sales Act shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the

⁵~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

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Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the ~~Debtor~~Debtors;
- (p) to assign 2284649 Ontario Inc. into bankruptcy;
- (q) ~~(p)~~to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~2284649 Ontario Inc., including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by ~~the Debtor;~~2284649 Ontario Inc.;
- (r) to make or cause to be made such appraisal and investigation of the Property and affairs of the Debtors as to enable the Receiver to examine any disposition or transfer of the Property prior to the date hereof;
- (s) ~~(q)~~to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Debtors may have in respect to the Property; and
- (t) ~~(r)~~to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations~~;~~

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the ~~Debtor~~Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that ~~the~~ (i) the ~~Debtor~~Debtors, (ii) all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on ~~its~~the Debtors' instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Property and the business or affairs of the ~~Debtor~~Debtors in respect of the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical

facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

~~7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove~~

~~any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

7. THIS COURT ORDERS that any bank holding accounts in the name of 2284649 Ontario Inc. or any corporate name previously held by 2284649 Ontario Inc., or other bank accounts related to the Property shall provide KSV, in its capacity as Receiver, with immediate access to, and full authorization over, such bank accounts.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE ~~DEBTOR~~ DEBTORS OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the ~~Debtor~~ Debtors in respect of the Property or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the ~~Debtor~~ Debtors in respect of the Property or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the ~~Debtor~~ Debtors in respect of the Property, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave

of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall: (i) empower the Receiver or the ~~Debtor~~ Debtors to carry on any business which the ~~Debtor~~ Debtors is not lawfully entitled to carry on; (ii) exempt the Receiver or the ~~Debtor~~ Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Debtor~~ Debtors in respect of the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the ~~Debtor~~ Debtors in respect of the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the ~~Debtor~~ Debtors in respect of the Property are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the ~~Debtor's~~ Debtors' current telephone numbers, facsimile

numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the ~~Debtor~~ Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that ~~all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees.~~ the Receiver may, but is not obligated to, enter into one or more agreements with any entity that employs individuals who provide services in respect of the Property or the Debtors. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as

provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. [The provisions of paragraph 12. above, shall apply without limitation to any arrangements entered into by the Receiver pursuant to this paragraph.](#)

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the ~~Debtor~~[Debtors](#), and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

[16.](#) ~~17.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management

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(separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. ~~18.~~ **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. ~~19.~~ **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. ⁶**THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its

⁶ ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP


21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~_____~~ 1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "AB"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following ~~URL~~  ~~URLs~~: ksvadvisory.com/insolvency-cases/2284649-ontario-inc/, ksvadvisory.com/insolvency-cases/2270613-limited-partnership/, and ksvadvisory.com/insolvency-cases/2270613-ontario-inc/.

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Debtor's~~Debtors' creditors in respect of the Property or other interested parties at their respective addresses as last shown on the records of the ~~Debtor~~Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the ~~Debtor~~Debtors.

29. **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.

30. **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, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. **THIS COURT ORDERS** that the ~~Plaintiff~~ Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~ Applicant's security or, if not so provided by the ~~Plaintiff's~~ Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's~~ Debtors' estate with such priority and at such time as this Court may determine.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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SCHEDULE "A"

LEGAL DESCRIPTION OF THE REAL PROPERTY

The real property legally described by the following PINs:

- a) 22365-0226 (LT)
- b) 22365-0227 (LT); and
- c) 23614-0001 (LT) through to and including 23614-0210 (LT).

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ KSV Kofman Inc., the receiver (the "**Receiver**") of all real property for which 2284649 Ontario Inc. is the registered owner as set out on Schedule "A" hereto (collectively, the "Real Property") and all of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ of, 2270613 Limited Partnership and 2270613 Ontario Inc. (collectively, the "Debtors") acquired for, or used in relation to ~~a business carried on by the Debtor~~ the Real Property (together with the Real Property, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 6th day of ~~_____~~, 20 February, 2018 (the "**Order**") made in an action having Court file number ~~CL-CL-~~ _____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

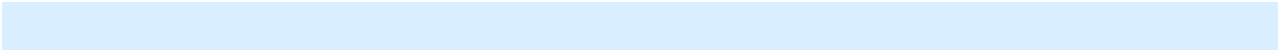
DATED the _____ day of _____, 20__.

~~[RECEIVER'S NAME]~~ KSV ADVISORY
INC., solely in its capacity as Receiver of
the Property, and not in its personal
capacity

Per: _____

Name:

Title:



SCHEDULE "A" TO THE RECEIVER'S CERTIFICATE

LEGAL DESCRIPTION OF THE REAL PROPERTY

The real property legally described by the following PINs:

- a. 22365-0226 (LT)
- b. 22365-0227 (LT); and
- c. 23614-0001 (LT) through to and including 23614-0210 (LT).

China Machinery Engineering Corporation

and

2284649 Ontario Inc. et al.

Applicant

Respondents

Court File No: CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

ORDER
(Appointing Receiver)

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Comparison Details	
Title	CompareDocs Comparison Results
Date & Time	05/02/2018 11:25:38 AM
Comparison Time	4.13 seconds
compareDocs version	v4.1.500.10

Sources	
Original Document	[#3735354] [v1] CMEC - Receivership Order
Modified Document	[#3735354] [v7] CMEC - Receivership Order

Comparison Statistics	
Insertions	37
Deletions	35
Changes	80
Moves	2
TOTAL CHANGES	154

Word Rendering Set Markup Options	
Name	DWPV(with Strikethrough for delete)
Insertions	
Deletions	
Moves / Moves	
Inserted cells	
Deleted cells	
Merged cells	
Formatting	Color only.
Changed lines	Mark left border.
Comments color	By Author.
Balloons	False

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after Saving	General	Always
Report Type	Word	Formatting
Character Level	Word	False
Include Headers / Footers	Word	True
Include Footnotes / Endnotes	Word	True
Include List Numbers	Word	True
Include Tables	Word	True
Include Field Codes	Word	True
Include Moves	Word	True
Show Track Changes Toolbar	Word	True
Show Reviewing Pane	Word	True
Update Automatic Links at Open	Word	False
Summary Report	Word	End
Include Change Detail Report	Word	Separate
Document View	Word	Print
Remove Personal Information	Word	False
Flatten Field Codes	Word	True

China Machinery Engineering Corporation
Applicant

and

2284649 Ontario Inc. et al.
Respondents

Court File No: CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

APPLICATION RECORD

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