



Court File No. CV-15-10921-00CL

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

THE HONOURABLE MADAM)
JUSTICE CONWAY)
)
) TUESDAY, THE 30TH DAY
) OF JUNE, 2015

BETWEEN:

HSBC BANK CANADA

Applicant

- and -

NATIONAL TELECOMMUNICATIONS INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by **Deloitte Restructuring Inc.** in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of National Telecommunications Inc. (the “**Debtor**”), acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Unit 3 Innovation Drive Inc. (the “**Purchaser**”) made as of May 12, 2015 and appended to the Report of the Receiver dated June 23, 2015 (the “**Report**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, and all other counsel listed on the Counsel Slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Bobbie-Jo Brinkman sworn on June 24, 2015, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of the Debtor and its stakeholders. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Receiver's and all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Conway dated April 9, 2015; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of York Region of an Application for Vesting Order in the form prescribed

by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



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

JUN 30 2015

MB

Schedule A – Form of Receiver’s Certificate

Court File No. CV-15-10921-00CL

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

BETWEEN:

HSBC BANK CANADA

Applicant

- and -

NATIONAL TELECOMMUNICATIONS INC.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice (the “**Court**”) dated April 9, 2015, Deloitte Restructuring Inc. was appointed as the receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties of National Telecommunications Inc. (the “**Debtor**”), acquired for, or used in relation to the follow business carried on by the Debtor (collectively, the “**Property**”).

B. Pursuant to an Order of the Court dated June 30, 2015, the Court approved the agreement of purchase and sale made as of May 12, 2015 (the “**Sale Agreement**”) between the Receiver and Unit 3 Innovation Drive Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Receiver’s and the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections

7, 8 and 9 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 7, 8 and 9 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at [TIME] on ►, 2015.

DELOITTE RESTRUCTURING INC., solely in its capacity as the Court Appointed Receiver and Manager of the Property (as defined herein) of National Telecommunications Inc., with no personal or corporate liability

Per: _____
Name: ►
Title: ►

Schedule B – Purchased Assets

All of the Receiver's (if any) and the Debtors' right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement) including, without limitation, the following real property:

The property legally described as Unit 3, Level 1, York Region Condominium Plan No. 1152 and its appurtenant interest, being all of PIN 29683-0003 (LT), and municipally known as 101 Innovation Drive, Unit 3, Vaughan, Ontario.

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

The following Instruments are to be discharged upon registration of the Vesting Order:

1. Charge in favour of HSBC Bank Canada (“HSBC”) registered as Instrument No. YR1953135 on March 7, 2013;
2. Notice of Assignment of Rents - General in favour of HSBC registered as Instrument No. YR1953136 on March 7, 2013;
3. Charge in favour of Addiction Associates Inc. registered as Instrument No. YR2078222 on December 23, 2013; and
4. Condominium Lien in favour of York Region Standard Condominium Corporation No. 1152 registered as Instrument No. YR2283965 on April 29, 2015.

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

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Innovation Drive Property (as defined in the Sales Agreement) means:

- (a) All of the instruments set out in this Schedule “B”;
- (b) All of the instruments set out on the parcel register for the Innovation Drive Property as of the Closing Date, other than mortgages, charges or other financial encumbrances;
- (c) The Condominium Documents, as defined in the Sale Agreement;
- (d) Any easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
- (e) Defects or irregularities in title to the Innovation Drive Property;
- (f) Inchoate liens for municipal property taxes, local improvement assessments and/or taxes and/or charges, and/or other taxes, assessments or recoveries, and/or common expenses and/or special assessments relating to the Innovation Drive Property not yet due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Purchaser, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
- (g) Zoning and building by-laws and ordinances, municipal by-laws and regulations, development agreements, subdivision agreements, site plan agreements, notices, and/or building restrictions;
- (h) Inchoate liens for public utilities not due as at the Closing Date;
- (i) The exceptions, limitations and qualifications set out in the Land Titles Act and/or set out on the parcel register for the Innovation Drive Property and any amendments thereto;
- (j) All reservations, limitations, provisos and/or conditions set out in the original grant from the Crown; and
- (k) All encroachments of buildings or other improvements and/or mislocated fences that may be shown on any existing survey or any up-to-date survey for the Innovation Drive Property.

Without limiting the foregoing Permitted Encumbrances include the following:

1. Notice of Subdivision Agreement with The Corporation of the City of Vaughan (the "City") registered as Instrument No. YR1092996 on November 27, 2011;
2. Transfer of Easement in favour of the City registered as Instrument No. YR1146292 on April 8, 2008;
3. Transfer of Easement in favour of the City registered as Instrument No. YR1146294 on April 8, 2008;
4. Transfer of Easement in favour of Powerstream Inc. registered as Instrument No. YR1160938 on May 9, 2008;
5. Notice of Condominium Agreement with the City registered as Instrument No. YR1279127 on January 21, 2009;
6. Plan of Condominium registered as YRCP1152 on March 17, 2009;
7. Condominium Declaration registered as Instrument No. YR1295786 on March 17, 2009;
8. Condominium By-law No. 1 of York Region Standard Condominium Corporation No. 1152 (the "Condominium Corporation") registered as Instrument No. YR1302469 on April 6, 2009;
9. Condominium By-law No. 2 of the Condominium Corporation registered as Instrument No. YR1302470 on April 6, 2009;
10. Condominium By-law No. 3 of the Condominium Corporation registered as Instrument No. YR1302471 on April 6, 2009;
11. Condominium By-law No. 4 of the Condominium Corporation registered as Instrument No. YR1302657 on April 6, 2009;
12. Application to Annex Restrictive Covenants registered as Instrument No. YR1302658 on April 6, 2009; and
13. Amendment to Condominium Declaration registered as Instrument No. YR2101509 on March 3, 2014.

HSBC BANK CANADA

and

NATIONAL TELECOMMUNICATIONS INC.

Applicant

Respondent

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

Proceedings commenced at **Toronto**

**APPROVAL AND VESTING ORDER
(JUNE 30, 2015)**

Thornton Groat Finnigan LLP
Barristers & Solicitors
Suite 3200, TD West Tower
100 Wellington Street West
P.O. Box 329, Toronto-Dominion Centre
Toronto, ON M5K 1K7

Kyla E.M. Mahar (LSUC #44182G)
Tel: 416-304-0594
Fax: 416-304-1313
Email: kmahar@tgf.ca

Lawyers for the Receiver