

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

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| THE HONOURABLE |) | Wednesday the 27 th day of |
| |) | |
| JUSTICE KERSHMAN |) | September, 2023 |

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF LA SALLE MOTEL CO. (KINGSTON) LTD., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO

APPROVAL AND VESTING ORDER

THIS MOTION, made by La Salle Motel Co. (Kingston) Ltd. (the "**Applicant**" or the "**Vendor**") for an order pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**SISP APS**") between the Vendor and Messrs. Ajay Jain and Pavel Abdur-Rahman for a corporation to be incorporated (the "**Purchaser**") dated September 18, 2023 and vesting in the Purchaser all of the Vendor's right, title and interest in and to the Purchased Assets (as defined in the SISP APS), was heard this day at the Ottawa Courthouse, 161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Motion, the Affidavit of John Karkoulis sworn September 18, 2023, and the Exhibits thereto (the "**Fourth Karkoulis Affidavit**"), filed, the Third Report (the "**Third Report**") of Link & Associates Inc., in its capacity as Proposal Trustee (the "**Proposal Trustee**"), dated September 18, 2023, filed, and the confidential appendix to the Third Report, and on hearing the submissions of counsel to the Applicant, counsel for the Proposal Trustee and such other counsel that were present, no one appearing for any other party, although duly served as appears from the Affidavit of Service of Sandra Noe, sworn September 18, 2023, filed:

DEFINITIONS

1. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Fourth Karkoulis Affidavit, or in the Orders of the Honourable Justice Kershman dated April 19, 2023 (“**First Extension Order**”) and June 23, 2023 (the “**SISP and Second Stay Extension Order**” or the “**SISP Order**”), and the Order of Associate Justice Fortier dated July 31, 2023 (the “**Third Extension Order**”), as applicable.

THE SALE TRANSACTION

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the SISP APS by the Vendor is hereby authorized and approved, with such minor amendments as the Vendor and the Purchaser, with the approval of the Proposal Trustee, may deem necessary. The Vendor and the Proposal Trustee are 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 as set out in the SISP APS, to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of the Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Proposal Trustee's Certificate**"), all of the Vendor's right, title and interest in and to the property legally described as PIN # 36086-0103; PT LT 14 CON 3 Kingston as in FR315986; S/T FR 332477, TKU 12314; Kingston and municipally described as 2360 Princess Street, Kingston, Ontario, K7M 3G4 (the “**Real Property**”), together with the the Purchased Assets described in the SISP APS 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, cautions, certificates of pending litigation, 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 First Extension Order and or the SISP Order; and (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 (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets (as defined in the SISP APS) are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Frontenac (LRO No. 13) of an Application for a 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 Real Property in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims as described in paragraph 3 above.

5. **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 Proposal Trustee'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.

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

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7. **THIS COURT ORDERS** that the Proposal Trustee may rely on written notice from the Vendor and the Purchaser regarding fulfillment of the conditions to closing under the SISP APS and shall incur no liability with respect to the delivery of the Proposal Trustee's Certificate.

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Vendor and the Proposal Trustee are

authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Vendor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendor.

9. **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 BIA in respect of the Vendor and any bankruptcy order issued pursuant to any such applications; and
- c. any assignment in bankruptcy made in respect of the Vendor;

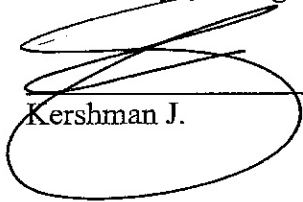
the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA 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.

GENERAL

10. **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 Vendor and the Proposal Trustee and their 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 Vendor and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this

Order or to assist the Vendor and the Proposal Trustee and their agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.



Kershman J.

SCHEDULE "A"

Estate/Court File No.: 33-2929085

ONTARIO SUPERIOR COURT OF JUSTICE IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C.
1985, c. B-3, AS AMENDED AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF LA SALLE MOTEL CO. (KINGSTON) LTD., A
CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO**

PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

- A. La Salle Motel Co. (Kingston) Ltd. (the "**Vendor**") filed a notice of intention to make a proposal (the "**NOI**") on April 3, 2023, pursuant to section 50.4 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "**Proposal Proceedings**").
- B. Link & Associates Inc. was appointed as proposal trustee under the NOI (in such capacity, the "**Proposal Trustee**") in the Proposal Proceedings.
- C. Pursuant to an Order of the Court dated September 27, 2023 (the "**Approval and Vesting Order**"), the Court approved the asset purchase agreement made as of September 18, 2023 (the "**SISP APS**") between the Vendor and Messrs. Ajay Jain and Pavel Abdur-Rahman for a corporation to be incorporated (the "**Purchaser**"), and provided for the vesting in the Purchaser of the Vendor's right, title and interest in and to the Purchased Assets (as defined in the SISP APS), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming:
- a. the payment by the Purchaser of the Purchase Price (as defined in the SISP APS) for the Purchased Assets;
 - b. that the conditions to Closing as set out in the SISP APS have been satisfied or waived by the Vendor and Purchaser (as applicable); and
 - c. the Transaction has been completed to the satisfaction of the Proposal Trustee.
- D. Pursuant to the Approval and Vesting Order, the Proposal Trustee may rely on written notice from the Vendor and the Purchaser regarding fulfillment of conditions to Closing under the SISP APS.
- E. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the SISP APS.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid the Purchase Price for the Purchased Assets pursuant to the SISP APS.
2. The Vendor and the Purchaser have each delivered written notice to the Proposal Trustee that the conditions to Closing under the SISP APS have been satisfied and/or waived, as applicable.
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

Link & Associates Inc., in its capacity as Proposal Trustee of La Salle Motel Co. (Kingston) Ltd., and not in its personal capacity

Per: _____
Name:
Title:

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT
R.S.C., 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF LA SALLE MOTEL
CO. (KINGSTON) LTD., A CORPORATION INCORPORATED UNDER THE LAWS OF THE PROVINCE OF
ONTARIO

Estate/Court File No. 33-2929085

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at Ottawa

ORDER

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