

Bankruptcy Court File No. BK-23-03015853-0033
Estate No. 33-3015853

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

FRIDAY, THE 8TH

)

JUSTICE KERSHMAN

)

DAY OF DECEMBER, 2023

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED***

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
RELOGIX INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO**

**ORDER
(Re: Interim Financing)**

THIS MOTION, made by Relogix Inc. (the "**Company**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "**BIA**") for an order: (i) abridging the time for service for this motion; (ii) approving an interim financing facility term sheet; and (iii) granting a debtor-in-possession (DIP) lender's charge up to the maximum principal amount of \$50,000 in favour of Andrew Millar was heard on the 8th day of December, 2023.

ON READING the affidavit of Andrew Millar, sworn December 4, 2023, and the exhibits thereto, the First Report of Dodick Landau Inc. dated December 5, 2023 in its capacity as proposal trustee of the Company (the "**Proposal Trustee**").

ON HEARING the submissions of counsel for the Company, the Proposal Trustee, and such other counsel that were present, no one else appearing for any party although duly served:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the materials filed, as set out in the Affidavit of Service of Jessica Wuthmann sworn December 5, 2023, is hereby deemed adequate notice so that this Motion is properly returnable today and hereby dispenses with further service thereof.

INTERIM FINANCING

2. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to execute, enter into and deliver an interim financing term sheet executed by the Company and Andrew Millar (the "**DIP Lender**") dated as of December 4, 2023 (the "**DIP Agreement**") and to borrow, in accordance with the terms and conditions of the DIP Agreement, interim financing in the principal amount of \$50,000 to, among other things, fund the Company's working capital, capital expenses and restructuring costs for the period between December 8, 2023 and December 18, 2023.

3. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Company is hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

4. **THIS COURT ORDERS** that pursuant to Section 50.6 of the BIA, the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**"), up to the maximum principal amount of \$50,000 plus interest accrued in accordance with the DIP

Agreement, on all of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate including all proceeds thereof (the "**Property**"), which DIP Lender's Charge shall not secure an obligation that exists before December 8, 2023. The DIP Lender's Charge shall have the priority set out in paragraph 8 hereof.

5. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, or Section 69 of the BIA:

- a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- b) upon the occurrence of an event of default under the Definitive Documents or the DIP Agreement, the DIP Lender may exercise any and all of its rights and remedies against the Company or the Property under or pursuant to the DIP Agreement, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Company and set off and/or consolidate any amounts owing by the DIP Lender to the Company against the obligations of the Company to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and
- c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property.

6. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any proposal filed by the Company under the BIA, any bankruptcy of the Company under the BIA, or any plan of arrangement or compromise filed by the Company in any proceeding under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, with respect to any advances made under the Definitive Documents or the DIP Agreement.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

7. **THIS COURT ORDERS** that the filing, registration or perfection of the DIP Lender's Charge shall not be required, and that the DIP Lender's Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the DIP Lender's Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

8. **THIS COURT ORDERS** that the DIP Lender's Charge shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any individual, firm, corporation, governmental agency, or any other entities (each and any, a "**Person**").

9. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the DIP Lender's Charge, unless the Company obtains the prior written consent of the Proposal Trustee and the DIP Lender, or further Order of this Court.

10. **THIS COURT ORDERS** that the DIP Agreement, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (a) the


pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

- a) neither the creation of the DIP Lender’s Charge nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which they are a party;
- b) the DIP Lender shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Agreement, the creation of the DIP Lender’s Charge, or the execution, delivery or performance of the Definitive Documents; and
- c) the payments made by the Company pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the DIP Lender’s Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

11. **THIS COURT ORDERS** that the DIP Lender’s Charge created by this Order over leases of real property in Canada shall only be a charge in the Company’s interest in such real property leases.

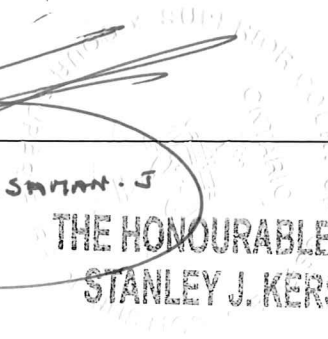
GENERAL

12. **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.



KERSHMAN, J

THE HONOURABLE JUSTICE
STANLEY J. KERSHMAN



IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY
ACT, RSC 1985, c B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF RELOGIX INC. OF THE CITY OF
OTTAWA IN THE PROVINCE OF ONTARIO

Applicant

Bankruptcy Court File No. BK-23-03015853-0033
Estate File No. 33-3015853

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at Ottawa

ORDER

RECONSTRUCT LLP
Royal Bank Plaza, South Tower
200 Bay Street
Suite 2305, P.O. Box 120
Toronto, ON M5J 2J3

Sharon Kour LSO No. 58328D
skour@reconllp.com
Tel: 416.613.8283

Jessica Wuthmann LSO No. 72442W
jwuthmann@reconllp.com
Tel: 416.613.8288

Lawyers for Relogix Inc.