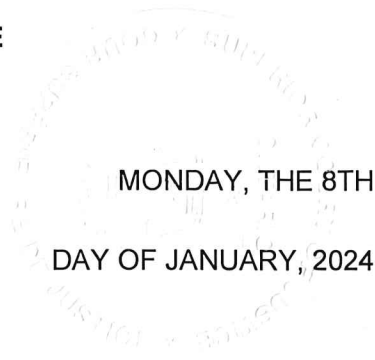




Court File No. BK-23-03015853-0033
Estate File No. 33-3015853

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
)
JUSTICE KERSHMAN)



MONDAY, THE 8TH
DAY OF JANUARY, 2024

**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
RELOGIX INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO**

ADMINISTRATION CHARGE AND SEALING ORDER

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, among other things: (a) granting a first-ranking administration charge over the assets, property, and undertakings of the Vendor; and (b) sealing certain confidential appendices, was heard this day by judicial videoconference via Zoom.

ON READING the Affidavit of Andrew Millar sworn January 4, 2024 (the "**Millar Affidavit**"), the Affidavit of Paul Stanton sworn January 4, 2024 and the Third Report of Dodick Landau Inc. dated January 7, 2024 in its capacity as the proposal trustee of the Vendor (the "**Third Report**").

ON HEARING the submissions of counsel for the Company, counsel for Hubstar Inc. and counsel for Royal Bank of Canada, no one else appearing for any other person although duly served as appears from the affidavit of service of Jessica Wuthmann sworn January 5, 2024, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that terms not otherwise defined herein shall have the meanings given to them in the Millar Affidavit.

ADMINISTRATION CHARGE

3. **THIS COURT ORDERS** that, pursuant to Section 64.2 of the BIA, the Proposal Trustee, counsel to the Proposal Trustee, and the Company's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on all of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever including any principal, interest and fees arising under the DIP Agreement (as defined in the Order re: Stay Extension and Interim Financing dated December 18, 2023), and wherever situate including all proceeds thereof (the "**Property**"), which charge shall not exceed an aggregate amount of \$50,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 3 and 5 hereof.
4. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge (as defined in the Order re: Stay Extension and Interim Financing dated December 18, 2023), as between them, shall be as follows:
 - a) First – the Administration Charge (to the maximum amount of \$50,000); and
 - b) Second – the DIP Lender's Charge (to the maximum principal amount of \$100,000).
5. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration 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 Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

6. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and such 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**").

7. **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 Administration Charge, unless the Company obtains the prior written consent of the Proposal Trustee, the DIP Lender and the beneficiaries of the Administration Charge, or further Order of this Court.

8. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (the "**Chargees**") 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:

- c) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
- d) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- e) the payments made by the Company pursuant to this Order, and the granting of the Administration 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.


9. **THIS COURT ORDERS** that the Administration 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.

SEALING ORDER

10. **THIS COURT ORDERS** that the Confidential Exhibits attached as Confidential Exhibits "A", "B", and "C" to the Millar Affidavit are hereby sealed pending the completion of the sale transaction contemplated by an Asset Purchase Agreement between the Vendor, Hubstar Inc. and 1000752499 Ontario Inc. dated January 4, 2024, or further order of the Court. Upon the filing of the certificate of the Proposal Trustee certifying that the Transaction has closed, the Confidential Exhibits shall no longer be sealed.

GENERAL

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, and this Order is enforceable without the need for entry and filing.

A handwritten signature consisting of several overlapping loops is written above a horizontal line. Below the line, the name "KERSEVAN, J" is handwritten and circled.

