

JUNE 22, 2020

35-2638322

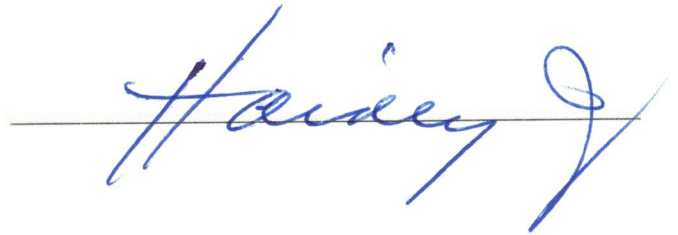
Re KMW ENERGY

- ① These motions were heard by videoconference due to the Covid-19 crisis.
- ② These Motions are not opposed. I am satisfied they should be granted on the terms of the attached Tift Stay Order, Approval and Vesting Order and fee approval order.
- ③ These orders are effective today and do not have to be entered.

Hainey J.

2. **THIS COURT ORDERS** that the Stay of Proceedings established by section 69(1) of the BIA shall be and is hereby lifted for the sole purpose of permitting GRE to commence and prosecute an action against KMW provided however, that, absent further order of the Court, GRE's sole recourse with respect to any such judgement obtained shall be limited to proceeds of the Policy (as defined in the Robbins Affidavit).

3. **THIS COURT ORDERS** that, this order is effective from today's date and is not required to be entered.

A handwritten signature in blue ink is written over a horizontal line. The signature is cursive and appears to read "Hainey".

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF KMW ENERGY INC.

Estate File Number: 35-2638322
Court File No.: 35-2638322

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

PROCEEDING COMMENCED AT
TORONTO

ORDER
(Motion to Lift Stay of Proceedings)

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Jane O. Dietrich LSO# 49302U
Tel: 416.860.5223
Fax: 416.640.3144
jdietrich@cassels.com

Sophie Moher LSO #72317H
Tel: 416.860.2903
Fax: 416.640.3021
smoher@cassels.com

Lawyers for Georges River Energy, LLC

hearing the submissions of counsel for KMW, the Proposal Trustee, 275Co. and such other counsel listed on the Counsel Slip,

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

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the APA by KMW is hereby authorized and approved, with such minor amendments as KMW and 275Co. may deem necessary. KMW 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 275Co.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a certificate by the Proposal Trustee to 275Co. substantially in the form attached as **Schedule "A"** hereto (the "**Proposal Trustee's Certificate**"), all of KMW's right, title and interest in and to the Purchased Assets as described and defined in the APA shall vest absolutely in 275Co., 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 Hainey dated May 1, 2020; 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**”) save and except for the Permitted Encumbrances (as defined in the APA), if any; 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.

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 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.

5. **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.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, KMW is authorized and permitted to disclose and transfer to 275Co. all human resources and payroll information in KMW’s records pertaining to KMW’s past and current employees. 275Co. 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 KMW.

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

(a) the pendency of these proceedings;

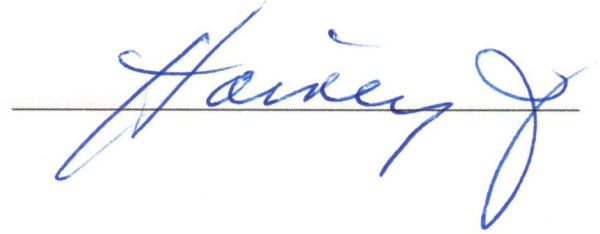
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of KMW and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of KMW;

the vesting of the Purchased Assets in 275Co. pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of KMW and shall not be void or voidable by creditors of KMW, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, 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.

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 KMW, 275Co. 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 275Co., KMW, 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 275Co., the Proposal Trustee and their agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion

for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be, when the Court returns to regular operations.

A handwritten signature in blue ink, written over a horizontal line. The signature is cursive and appears to read "Harvey J".

SCHEDULE "A"

Estate File No.: 35-2638322
Court File No. 35-2638322

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF KMW ENERGY INC.**

PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

- I. On April 11, 2020, KMW Energy Inc. ("**KMW**") filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**NOI**");
- II. MNP Ltd. was appointed as proposal trustee under the NOI proceeding (in such capacity the "**Proposal Trustee**");
- III. Pursuant to an Order of the Court dated June 22, 2020 (the "**Order**"), the Court approved the agreement of purchase and sale made dated April 24, 2020 (the "**APA**") between KMW, as vendor, and 2751602 Ontario Inc. (the "**275Co.**"), as purchaser, and provided for the vesting in 275Co. all of KMW'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 Proposal Trustee to KMW and 275Co. of a certificate confirming (i) the payment by 275Co. of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the APA have been satisfied or waived by KMW and 275Co.; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee;

IV. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APA or the Order.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. 275Co. has paid the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the APA;
2. The conditions of Closing as set out in the APA have been satisfied or waived by KMW and 275Co.;
3. The Transaction has been completed to the satisfaction of the Proposal Trustee; and
4. This Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

**MNP Ltd., in its capacity as Proposal Trustee,
and not in its personal capacity or in any
other capacity**

Per: _____

Name:

Title:

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(APPROVAL AND VESTING ORDER)**

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Harvey Chaiton (LSO No. 21592F)
Tel: (416) 218-1129
Fax: (416) 218-1849
Email: harvey@chaitons.com

Sam Rappos (LSO No. 51399S)
Tel: (416) 218-1137
Fax: (416) 218-1837
Email: samr@chaitons.com

Lawyers for KMW Energy Inc.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE MR.

)

MONDAY, THE 22nd

JUSTICE HAINEY

)

DAY OF JUNE, 2020

)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF KMW ENERGY INC.

ORDER

(Re: Fee Approval)

THIS MOTION, made by MNP LTD. (“**MNP**”), in its capacity as Proposal Trustee (in such capacity, the “**Proposal Trustee**”) of KMW Energy Inc. (the “**Company**”), for an Order approving the fees and disbursements of the Proposal Trustee and its counsel incurred to June 1, 2020, was heard this day via videoconference due to the COVID-19 public health crisis.

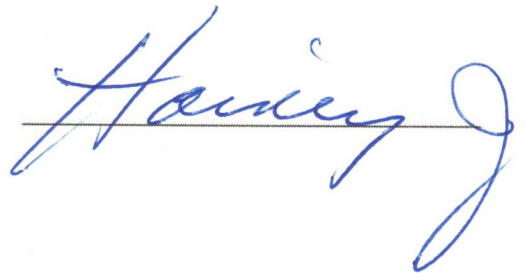
ON READING the Notice of Motion of the Proposal Trustee and the Second Report of the MNP, in its capacity as Proposal Trustee, dated June 18, 2020, and the exhibits thereto (the “**Second Report**”), and on hearing the submissions of counsel for the Proposal Trustee, and such other parties as were present, no one else appearing although duly served as appears from the affidavit of service of Christopher McGoey;

SERVICE

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

APPROVAL OF ACTIVITIES

2. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee and its counsel, Weisz Fell Kour LLP, incurred to June 17th, 2020 as set out in the Second Report, be and are hereby approved.

A handwritten signature in blue ink, appearing to read "Hawley", is written over a horizontal line. The signature is cursive and extends to the right of the line.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF KMW ENERGY INC.**

Estate File Number: 35-2638322
Court File No.: 35-2638322

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

Proceedings commenced at Toronto

ORDER
(Re: Fee Approval)

WEISZ FELL KOUR LLP
100 King Street West,
Suite 5600
Toronto, ON M5X 1C9

Caitlin Fell
LSO No. 60091H
cfell@wfkaw.ca
Tel: 416.613.8282
Fax: 416.613.8290

Lawyer for the Proposal Trustee,
MNP LTD