

Exhibits "A" and "B"

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

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Court file no. CV-10-00008643-00CL

DATED AT TORONTO THIS 20 DAY OF MAY 20 10
FAIT À TORONTO LE 20 JOUR DE MAY 20 10

ONTARIO

Joanne Nicoara

Registrar Superior Court of Justice
GREFFIER

SUPERIOR COURT OF JUSTICE
(Commercial List)

REGISTRAR



THE HONOURABLE
JUSTICE PEPALL

) TUESDAY, THE 18th
) DAY OF MAY, 2010



IN THE MATTER OF an application under section 182 of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;

AND IN THE MATTER OF Rule 14.05(2) and 14.05(3)(f) of the *Rules of Civil Procedure*

AND IN THE MATTER OF a proposed arrangement involving
STRONGCO INCOME FUND and STRONGCO CORPORATION

Applicants



ORDER

THIS APPLICATION made by the Applicants pursuant to section 182 of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, (the "OBCA") for an order approving a proposed arrangement (the "Arrangement") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the Affidavit of J. David Wood sworn March 25, 2010, the Supplementary Affidavit of J. David Wood sworn May 14, 2010, together with the exhibits thereto, the Order of the Honourable Justice Wilton-Siegel dated March 30, 2010, and on hearing the submissions of counsel for the Applicants, no

one appearing for any other person, including any holder (as of March 26, 2010) of units of Strongco Income Fund or of options to acquire units of Strongco Income Fund.

1. **THIS COURT ORDERS** the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this order is an arrangement within the meaning of section 182 of OBCA and is fair and reasonable to all affected parties.


2. **THIS COURT ORDERS** that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this order, shall be and is hereby approved.

3. **THIS COURT ORDERS** that the Applicants shall be entitled to seek leave to vary this order upon such terms and upon the giving of such notice as this Honourable Court may direct, to seek the advice and directions of this Honourable Court as to the implementation of this order, and to apply for such further order or orders as may be appropriate.



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DATED AT TORONTO THIS 20 DAY OF MAY 20 10
FAIT À TORONTO LE 20^e JOUR DU MOIS DE MAI 2010

 Joanne Nicoara
Registrar, Superior Court of Justice

REGISTRAR

GREFFIER

SCHEDULE "A"

PLAN OF ARRANGEMENT UNDER SECTION 182 OF THE BUSINESS CORPORATIONS ACT (ONTARIO)

ARTICLE 1 INTERPRETATION

1.1 In this Plan of Arrangement, the following terms have the following meanings:

- (a) "Arrangement", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the arrangement pursuant to Section 182 of the OBCA set forth in this Plan of Arrangement as may be supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (b) "Arrangement Agreement" means the agreement dated as of March 25, 2010, among the Fund and New Strongco with respect to the Arrangement as may be supplemented, modified or amended;
- (c) "Articles of Arrangement" means the articles of arrangement in respect of the Arrangement required under Subsection 183(1) of the OBCA to be filed with the OBCA Director after the Final Order has been granted giving effect to the Arrangement;
- (d) "Business Day" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, in the Province of Ontario, for the transaction of banking business;
- (e) "Certificate of Arrangement" means the certificate of arrangement which may be issued by the OBCA Director pursuant to Subsection 183(2) of the OBCA upon the filing of the Articles of Arrangement giving effect to the Arrangement;
- (f) "Court" means the Ontario Superior Court of Justice;
- (g) "Effective Date" means the date the Arrangement is effective under the OBCA;
- (h) "Effective Time" means 12:01 a.m. (Toronto time) on the Effective Date or such other time on the Effective Date as may be specified in writing by New Strongco;
- (i) "Final Order" means the final order of the Court approving the Arrangement pursuant to Subsection 182(5) of the OBCA, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;
- (j) "Fund" means Strongco Income Fund, an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to the Fund Declaration of Trust;
- (k) "Fund Declaration of Trust" means the declaration of trust dated March 21, 2005, as amended and restated on April 28, 2005, as further amended and restated on September 1, 2006, pursuant to which the Fund was established, as may be supplemented, modified or amended from time to time;
- (l) "Fund Options" means options to acquire Fund Units.
- (m) "Fund Units" means the units of the Fund;

- (n) "Information Circular" means the management information circular of the Fund, together with all appendices thereto, distributed to Unitholders in connection with the Meeting;
- (o) "Interim Order" means the interim order of the Court under Subsection 182(5) of the OBCA containing declarations and directions with respect to this Arrangement, as such order may be affirmed, supplemented, modified or amended by any court of competent jurisdiction;
- (p) "Meeting" means the annual and special meeting of Unitholders of the Fund to be held on May 14, 2010 and any adjournment(s) thereof, to, among other things, and consider and vote on the Arrangement Resolution;
- (q) "New Strongco" means Strongco Corporation, a corporation incorporated under the OBCA and a wholly-owned subsidiary of the Fund prior to the Effective Time;
- (r) "New Strongco Shares" means the common shares in the capital of New Strongco;
- (s) "OBCA" means the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16, including the regulations promulgated thereunder, in either case as amended;
- (t) "OBCA Director" means the director appointed under Section 278 of the OBCA;
- (u) "Optionholders" means the holders of the Fund Options;
- (v) "Person" means and includes individuals, corporations, partnerships, general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, business trusts or other organizations, whether or not legal entities, and governments, agencies and political subdivisions thereof;
- (w) "TSX" means the Toronto Stock Exchange; and
- (x) "Unitholders" means holders from time to time of Fund Units.

- 1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders.
- 1.5 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2
ARRANGEMENT AGREEMENT

- 2.1 This Plan of Arrangement is made pursuant to, and is subject to the provisions of, and forms part of, the Arrangement Agreement.
- 2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate of Arrangement, if any, shall become effective on, and be binding on and after, the Effective Time on: (i) Unitholders; (ii) the Fund; (iii) Optionholders; and (iv) New Strongco.

- 2.3 The Articles of Arrangement and Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence set out therein.
- 2.4 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time. Furthermore, each of the events listed in Article 3 shall be, without affecting the timing set out in Article 3, mutually conditional, such that no event described in said Article 3 may occur without all steps occurring, and those events shall effect the integrated transaction which constitutes the Arrangement.

ARTICLE 3 **ARRANGEMENT**

- 3.1 Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality except as otherwise provided herein:

(a) **Exchange of Fund Units for New Strongco Shares**

The Fund Units held by Unitholders shall be transferred to New Strongco, free and clear of any claims, solely in consideration for New Strongco Shares on the basis of one New Strongco Share for each Fund Unit so transferred.

(b) **Exchange of Fund Options**

Each of the issued and outstanding Fund Options shall be exchanged for an option to acquire the same number of New Strongco Shares as the number of Fund Units subject to the Fund Option, at the same price as provided in the Fund Option.

(c) **Reduction of Stated Capital of New Strongco**

There shall have been added to the stated capital account maintained for the New Strongco Shares an amount determined by the directors of New Strongco in accordance with Section 24(2) of the OBCA in respect of the New Strongco Shares issued under the Arrangement, and New Strongco shall be authorized to subsequently reduce its stated capital in an amount determined by the directors of New Strongco, in respect of which no amount is to be distributed to the shareholders of New Strongco as contemplated by Sub-section 34(1)(b)(ii)(B) of the OBCA.

(d) **Cancellation of the Initial New Strongco Share of New Strongco**

The one New Strongco Share issued to the Fund in connection with the organization of New Strongco shall be purchased for cancellation by New Strongco for a consideration of \$1.00 and shall be cancelled.

(e) **Amendment to the Articles of New Strongco**

The Articles of Incorporation of New Strongco shall be amended to provide that the minimum number of directors of New Strongco is 3 and the maximum numbers of directors of New Strongco is 10.

ARTICLE 4 **OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES**

- 4.1 From and after the Effective Time, any certificates formerly representing Fund Units shall represent only the right to receive New Strongco Shares in respect thereof as provided in this Plan of Arrangement. From

and after the Effective Time, the option agreements providing for the Fund Options shall represent only the right to receive the New Strongco Shares to which the holders thereof are entitled under the Plan of Arrangement.

- 4.2 No fractional New Strongco Shares, and no certificates representing fractional New Strongco Shares, shall be issued pursuant to the Plan of Arrangement.

ARTICLE 5 **AMENDMENTS**

- 5.1 The Fund and New Strongco may amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, subject to the Interim Order and Sections 5.2, 5.3 and 5.4, provided that each such amendment must be: (i) set out in writing; and (ii) approved by the other party to the Arrangement Agreement.
- 5.2 Subject to Section 5.3 and the Interim Order, any supplement, modification or amendment to this Plan of Arrangement may be made prior to the Effective Time by the Fund and New Strongco (or, following the Effective Time, by New Strongco) without the approval of the Court or the Unitholders, provided that it concerns a matter which, in the reasonable opinion of the Fund and New Strongco (or, following the Effective Time, New Strongco), is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any former holder of Fund Units or Fund Options.
- 5.3 Subject to the Interim Order, any amendment to this Plan of Arrangement may be proposed by the Fund or New Strongco at any time prior to or at the Meeting (provided that the other party to the Arrangement Agreement shall have consented thereto) with or without any prior notice or communication to Unitholders, provided that if any such amendment would, if disclosed, reasonably be expected to affect a Unitholder's decision to vote for or against the Arrangement Resolution, notice of such amendment shall be distributed by press release, newspaper advertisement, prepaid ordinary mail or by the method most reasonably practicable in the circumstances that the parties to the Arrangement Agreement may determine, and if so proposed and accepted by the Persons voting at the Meeting shall become part of this Plan of Arrangement for all purposes.
- 5.4 Subject to Section 5.2 and the Interim Order, the Fund and New Strongco may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meeting and prior to the Effective Time, provided such amendment is subject to review, and any further direction by the Court.

ARTICLE 6 **GENERAL**

- 6.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.
- 6.2 If, prior to the Effective Date, any term or provision of this Plan of Arrangement is held by the Court to be invalid, void or unenforceable, the Court, at the request of any party, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan of Arrangement shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

6.3 This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement and its provisions shall be subject to the exclusive jurisdiction of the Court.

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ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

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