

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
)
MR. JUSTICE MYERS) FRIDAY, THE 13th DAY
) OF OCTOBER, 2017

IN THE MATTER OF THE RECEIVERSHIP OF GENERX (BYWARD HALL) INC.

**AND IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1)
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED,
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. c. 43, AS
AMENDED**

DISCHARGE ORDER

THIS MOTION, made by KSV Kofman Inc. in its capacity as Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of certain of the assets, undertaking and property of Generx (Byward Hall) Inc. (the "**Debtor**"), for an order:

1. approving the activities of the Receiver as set out in the First Report of the Receiver dated October 5, 2017 (the "**First Report**");
2. approving the fees and disbursements of the Receiver and its counsel;
3. approving the Fee Accrual (as defined in the First Report);
4. sealing the confidential appendix to the First Report;
5. authorizing and directing certain distributions;
6. discharging KSV Kofman Inc. as Receiver of the undertaking, property and assets of the Debtor; and

7. releasing KSV Kofman Inc. from any and all liability, as set out in paragraph 7 of this Order,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report, the affidavits of the Receiver and its counsel as to fees (the "**Fee Affidavits**"), and on hearing the submissions of counsel for the Receiver, and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Danish Afroz sworn October 6, 2017, filed,;

1. **THIS COURT ORDERS** that the activities of the Receiver, as set out in the First Report, are hereby approved.

2. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as set out in the First Report and the Fee Affidavits, are hereby approved.

3. **THIS COURT ORDERS** that the Fee Accrual is hereby approved.

4. **THIS COURT ORDERS** that the Confidential Appendix to the First Report shall be sealed and kept confidential pending further Order of this Court.

5. **THIS COURT ORDERS** that following the delivery of the Receiver's Certificate contemplated by the Approval and Vesting Order granted on the date hereof, the Receiver is authorized and directed to make the following distributions:

(a) First, to KingSett Mortgage Corporation ("**KingSett**") to repay the full amount owing under the Receiver's Borrowings Charge (as defined in the Order granted on June 27, 2017);

(b) Second, subject to holding back the amount of \$845,265.54 (the "**Lien Reserve**") claimed by SRM Architects Inc. ("**SRM**"), to repay to KingSett up to the full amount owing to KingSett under its mortgages on the Real Property; and

(c) Third, to SRM and/or KingSett in the amount of the Lien Reserve upon further Order of this Court or a joint written direction from SRM and KingSett; provided that KingSett shall not be distributed under paragraphs 5(b) and 5(c) hereof a total amount greater than is owed to KingSett under its mortgages on the Real Property.

6. **THIS COURT ORDERS** that upon payment of the amounts set out in paragraph 5 hereof and upon the Receiver filing a certificate certifying that it has completed its mandate, the Receiver shall be discharged as Receiver of certain of the assets, undertaking and property of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of KSV Kofman Inc. in its capacity as Receiver.

7. **THIS COURT ORDERS AND DECLARES** that KSV Kofman Inc. is hereby released and discharged from any and all liability that KSV Kofman Inc. now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of KSV Kofman Inc. while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, KSV Kofman Inc. is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

OCT 13 2017

PER / PAR:



IN THE MATTER OF THE RECEIVERSHIP OF GENERX (BYWARD HALL) INC.

AND IN THE MATTER OF A MOTION PURSUANT TO SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. c.43, AS AMENDED

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

DISCHARGE ORDER

BENNETT JONES LLP
3400 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Sean H. Zweig (LSUC#57307I)
Tel: (416) 777-6253
Fax: (416) 863-1716

Counsel to the Receiver,
KSV Kofman Inc.