



Court File No. CV-17-11689-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) TUESDAY, THE 19TH DAY
)
JUSTICE MYERS) OF DECEMBER, 2017

IN THE MATTER OF THE RECEIVERSHIP OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) 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

ANCILLARY ORDER

THIS MOTION, made by KSV Kofman Inc. (the “**Receiver**”), in its capacity as Court-appointed receiver and manager of certain property of Scollard Development Corporation (“**Scollard**”), Memory Care Investments (Kitchener) Ltd. (“**Kitchener**”), Memory Care Investments (Oakville) Ltd. (“**Oakville**”), 1703858 Ontario Inc. (“**Burlington**”), Legacy Lane Investments Ltd. (“**Legacy Lane**”), Textbook (525 Princess Street) Inc. (“**525 Princess**”) and Textbook (555 Princess Street) Inc. (“**555 Princess**” and, together with Scollard, Kitchener, Oakville, Burlington, Legacy Lane and 525 Princess, the “**Receivership Companies**”), was heard this day at 330 University Avenue, Toronto, Ontario.

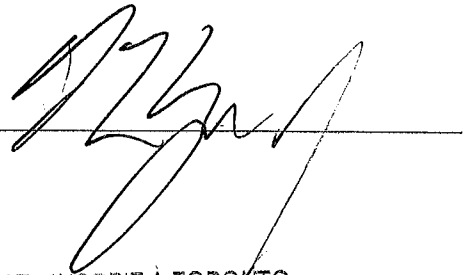
ON READING the Notice of Motion and the Receiver's Tenth Report dated December 13, 2017 (the "**Tenth Report**"), together with the appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Danish Afroz sworn December 13, 2017, filed,

1. **THIS COURT ORDERS** that the Confidential Appendices to the Tenth Report shall be sealed and kept confidential pending completion of the Transaction (as defined in the Tenth Report).

2. **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:

- (a) first, make one or more distributions to MarshallZehr Group Inc. ("**MZG**") until the amounts owing by Legacy Lane to MZG is paid in full;
- (b) second, subject to any reserve considered necessary by the Receiver to address outstanding and future fees, costs and obligations related to this proceeding, including the Litigation Reserve (as defined in the Tenth Report) and a reserve for the full amount of the lien claim of HLD Corporation Ltd. ("**HLD**") (the "**Lien Reserve**"), make one or more distributions to Grant Thornton Limited, in its capacity as Court-appointed Trustee of 2223947 Ontario Limited in the proceedings bearing Court File No. CV-16-11567-00CL (in such capacity, the "**Trustee**"), to repay in full the amounts owing by 2223947 Ontario Limited ("**222**") to Legacy Lane; and

- (c) third, make one or more distributions to the Trustee and/or HLD (or as each may direct) in the amount of the Lien Reserve upon further Order of this Court or a joint written direction from HLD and the Trustee; provided that the distributions to the Trustee under paragraphs 2(b) and 2(c) shall not exceed the amounts owing by Legacy Lane to the Trustee.

A handwritten signature in black ink, appearing to be 'M. J. ...', is written over a horizontal line.

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

DEC 19 2017

PER / PAR:

Handwritten initials 'MM' in black ink.

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

Proceeding commenced at Toronto

ANCILLARY ORDER

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