

### ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

THE HONOURABLE MR.	)	MONDAY, THE 17 <sup>TH</sup>
JUSTICE MYERS	)	DAY OF SEPTEMBER, 2018

IN THE MATTER OF THE RECEIVERSHIP OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO LTD., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC., MEMORY CARE INVESTMENTS (BURLINGTON) LTD. 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., in its capacity as Court-appointed receiver and manager (the "Receiver") of certain property of 1703858 Ontario Ltd. ("Burlington"), Memory Care Investments (Burlington) Ltd. ("Memory Care Burlington" and, together with Burlington, the "Receivership Companies"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the Receiver's Thirteenth Report dated September 10, 2018 (the "Thirteenth Report"), together with the appendices thereto, 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 September 10, 2018, filed,

- 1. **THIS COURT ORDERS** that the Confidential Appendices to the Thirteenth Report shall be sealed and kept confidential pending completion of the Transaction (as defined in the Thirteenth 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, and 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 Thirteenth Report), the Receiver is authorized and directed to:
  - (a) first, make one or more distributions to MarshallZehr Group Inc. ("MZG") until all amounts owing to MZG under the Receiver Certificate dated May 8, 2017 are repaid in full;
  - (b) second, make one or more distributions to Limen Group Const. Ltd. ("Limen") and/or Varcon Construction Corporation ("Varcon") (or as each may direct) in the aggregate amount of \$90,250.17 (the "Priority Lien Amount") upon further Order of this Court or the receipt by the Receiver of a joint written direction from Limen and Varcon; and
  - (c) third, make one or more distributions to Grant Thornton Limited, in its capacity as Court-appointed Trustee of 2223947 Ontario Limited ("222") in the proceedings

bearing Court File No. CV-16-11567-00CL (in such capacity, the "Trustee"), on behalf of 222, up to the amount owing to 222 by Burlington.

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

ENTERED AT / INSCRIT À TORONTO

ON / BOOK NO:

LE / DANS LE REGISTRE NO:

SEP 1 7 2018

PER / PAR:

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

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

## ANCILLARY ORDER

(Returnable September 17, 2018)

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