

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

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

MOTION RECORD

(Returnable: September 17, 2018)

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(Updated as of May 9, 2018)

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

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

I N D E X

TAB	DOCUMENTS
1	Notice of Motion returnable September 17, 2018
2	Receiver's Thirteenth Report dated September 10, 2018
A	Sale and Development Order
B	Agreement of Purchase and Sale (redacted)
C	Affidavit of Robert Kofman
D	Affidavit of Sean Zweig
Confidential Appendix 1	Offer Summary – Confidential
Confidential Appendix 2	Adjusted Purchase Price Schedule – Confidential
Confidential Appendix 3	Agreement of Purchase and Sale (unredacted) – Confidential
3	Order Amending the Second Amended and Restated Order
4	Approval and Vesting Order
5	Ancillary Order

Tab 1

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**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**

**NOTICE OF MOTION
(Returnable September 17, 2018)**

KSV Kofman Inc. (“KSV”), in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of the real property municipally described as 2168 and 2174 Ghent Avenue, Burlington, Ontario (the “**Real Property**”), which Real Property is registered on title as being owned by 1703858 Ontario Inc. (“**Burlington**”), and of the assets, undertakings and properties acquired for or used in relation to the Real Property (together with the Real Property, the “**Property**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on September 17, 2018, at 10:00 a.m., or as soon after that time as the motion can be heard, at a courthouse to be determined in Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An order (the “**Order Amending the Receivership Order**”) substantially in the form of the draft order attached as Tab “3” of this Motion Record, among other things, amending the Second Amended and Restated Order granted in this proceeding (the “**Second Amended and Restated Order**”) to appoint KSV as Receiver without security, of all of the assets, undertakings and properties of Memory Care Investments (Burlington) Ltd. (“**MC Burlington**”) acquired for, or used in relation to a business carried on by MC Burlington, pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43;
2. An order (the “**Approval and Vesting Order**”) substantially in the form of the draft order attached as Tab “4” of this Motion Record, among other things, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and 2642988 Ontario Inc. (the “**Purchaser**”), as purchaser, dated July 23, 2018 (the “**Sale Agreement**”) and vesting in the Purchaser, or as it may direct in accordance with the Sale Agreement, all of the Receiver’s, Burlington’s and MC Burlington’s right, title and interest in and to the property described as the “**Purchased Assets**” in the Sale Agreement (the “**Purchased Assets**”);
3. An order (the “**Ancillary Order**”) substantially in the form of the draft order attached at Tab “5” of this Motion Record, among other things:
 - (a) sealing the confidential appendices of the Receiver’s Thirteenth Report dated September 10, 2018 (the “**Thirteenth Report**”) pending completion of the Transaction;

- (b) following the completion of the Transaction, authorizing and directing the Receiver to make the following distributions:
- (i) to MarshallZehr Group Inc. (“**MZG**”), to repay all amounts owing to it under a Receiver Certificate dated May 8, 2017 (the “**Receiver Certificate**”);
 - (ii) to lien claimants, Limen Group Const. Ltd. (“**Limen**”) and/or Varcon Construction Corporation (“**Varcon**”) in the aggregate amount of \$90,250.17 (the “**Priority Lien Amount**”) upon further order of this Court or receipt by the Receiver of a joint written direction from Limen and Varcon; and
 - (iii) 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;
- (c) approving the fees and disbursements of the Receiver and its legal counsel, Bennett Jones LLP (“**Bennett Jones**”), in the Burlington receivership proceedings, from April 14, 2017 to July 31, 2018.
4. Such further and other relief as counsel may request and the Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

1. On October 27, 2016, Grant Thornton Limited was appointed Trustee of eleven entities which raised monies from investors (“**Investors**”) through syndicated mortgage investments (collectively, the “**Trustee Corporations**”). Eight of the Trustee Corporations then advanced these monies on a secured basis pursuant to loan agreements between the Trustee Corporation and eleven entities, including Burlington (collectively, the “**Davies Developers**”).
2. On application by the Trustee, KSV was appointed Receiver of the Property on April 28, 2017. The order was amended on May 2, 2017 to address certain clerical errors (the “**Amended and Restated Receivership Order**”).
3. Pursuant to various orders made by the Court, KSV is also the Receiver of certain property of the remaining Davies Developers.
4. On June 30, 2017, the Court made an order (the “**Sale and Development Process Order**”) approving a process to solicit offers for the sale and/or development of the Real Property (the “**SDP**”).
5. Chaitons LLP was appointed representative counsel to the Investors (“**Representative Counsel**”) pursuant to an Order of the Court dated January 24, 2017.

A. Burlington

6. During 2013, MC Burlington purchased the shares of Burlington for approximately \$2.5 million.

7. Burlington and two other Davies Developers, Memory Care Investments (Kitchener) Ltd. (“**Kitchener**”) and Memory Care Investments (Oakville) Ltd. (“**Oakville**”, and together with Kitchener and Burlington, the “**Memory Care Entities**”) were to develop residences for people suffering from cognitive impairment.

8. Prior to the receivership proceedings, Burlington obtained building permits and site plan approval from the City of Burlington to construct the development, and in connection with obtaining the site plan approval, MC Burlington paid the following:

- (a) development and education charges totaling approximately \$1.053 million to the City of Burlington and/or the Regional Municipality of Halton (the “**Development Charges**”); and
- (b) security deposits totaling approximately \$276,000 to the City of Burlington (the “**Security Deposits**” and together with the Development Charges, the “**Prepaid Charges**”).

B. SDP

9. The Sale and Development Process Order approved the retention of Colliers Macaulay Nicolls Inc. (“**Colliers**”) as the listing agent for the real properties owned by the Memory Care Entities, including the Real Property.

10. Although the SDP resulted in multiple offers for each of the Memory Care Entities’ properties, including five for the Real Property, none of the offers received were acceptable to the Receiver.

11. The Receiver also retained Cushman & Wakefield Ltd. (“**Cushman**”) to investigate the feasibility of a joint venture for the Real Property. Cushman advised that the Real Property is not attractive for a joint venture opportunity given the small scale of the intended development and the resulting economics.

12. Although there was one joint venture opportunity that arose during the SDP, the Receiver was unable to negotiate acceptable terms and the prospective partner did not have financing.

13. The Receiver and the Purchaser executed the Sale Agreement on July 23, 2018 and the Purchaser waived its diligence condition on August 22, 2018. The only remaining condition is Court approval.

14. A summary of the offers received for the Real Property is provided in Confidential Appendix “1” to the Thirteenth Report (the “**Offer Summary**”).

C. Receivership of MC Burlington

15. The Receiver is seeking to add MC Burlington as a receivership company in this proceeding for the sole purpose of completing the Transaction.

16. The Receiver recommends that the Court issue orders placing MC Burlington into receivership and approving the Transaction for the following reasons:

- (a) MC Burlington’s only assets are the shares of Burlington and its interest in the Security Deposits, the latter of which are connected to the Real Property and are required to be conveyed to the Purchaser as part of the Transaction;
- (b) the SDP was conducted in accordance with the Sale Development Process Order;

- (c) the markets were widely canvassed;
- (d) Colliers is familiar with the local real estate market and is of the view that the Transaction is the best one available in these circumstances;
- (e) Colliers and the Receiver discussed joint venture opportunities with interested parties – only one such opportunity was identified and it was not pursued because terms could not be negotiated and the prospective partner did not have financing. The Receiver also consulted with Cushman regarding the feasibility of a joint venture transaction. Cushman advised that the small scale of the project may make a joint venture uneconomic;
- (f) MZG has consented to the Transaction. MZG is concerned about the risk of extending the SDP. The Real Property has been marketed for thirteen months. Absent the Transaction, the marketing process would continue without any certainty of completing a superior transaction, during which future professional fees and other costs will erode the proceeds available for distribution; and
- (g) the Receiver has kept the Trustee and Representative Counsel apprised of the SDP and each has consented to the Transaction.

D. Sealing

17. The Receiver recommends that the Offer Summary, the Purchaser Price Schedule (as defined in the Thirteenth Report) and the unredacted Sale Agreement be filed with the Court on a confidential basis and be sealed (the “**Sealing Order**”) as the documents contain confidential information.

18. If the Offer Summary, the Purchaser Price Schedule and the unredacted Sale Agreement are not sealed, the information may negatively impact future transactions if the Transaction does not close.

19. The Receiver believes that the proposed Sealing Order is appropriate in the circumstances and is not aware of any party that will be prejudiced if the information is sealed.

E. Proposed Distributions

(a) MZG Facility

20. Pursuant to the Amended and Restated Receivership Order, the Receiver borrowed \$1.775 million from MZG under a Receiver's Certificate to fund these proceedings (the "MZG Facility") and, pursuant to an Amending Agreement which was approved by the Court, the amount of the MZG Facility was subsequently increased to \$1.963 million.

21. MZG was granted a first ranking Court-ordered charge against the assets of Burlington, subject only to the Receiver's Charge and certain priority amounts set out in the *Bankruptcy and Insolvency Act* ("BIA"). MZG also registered a mortgage against the Real Property.

22. The Receiver is seeking Court approval to make a distribution to repay the MZG Facility, in full, upon closing of the Transaction.

(b) Liens

23. Varcon, the general contractor on the Burlington project, has a first lien registered against title to the Real Property.

24. Limen, a subcontractor, has a separate lien registered against title to the Real Property.

25. Burlington, as owner, was required to maintain a statutory holdback in the amount of the Priority Lien Amount but it did not maintain any such holdback.

26. The Receiver understands that Varcon and Limen have reached an agreement between themselves as to the division of the Priority Lien Amount and, upon closing of the Transaction, the Receiver intends to distribute the Priority Lien Amount to Varcon and/or Limen on receiving notice from each as to the amounts distributable to them.

(c) 222

27. 222 raised approximately \$8.3 million from Investors through syndicated mortgage investments. 222 then entered into a loan agreement with Burlington secured by a mortgage over the Real Property.

28. The Receiver's counsel has provided an opinion that 222's mortgage on the Real Property constitutes a valid and enforceable charge.

29. The Receiver is seeking Court approval to make a distribution, upon closing of the Transaction, to repay amounts owing to 222 until 222 is paid in full, subject to any litigation reserve to be agreed to between the Receiver and the Trustee.

30. Other than the Receiver's Charge, the Receiver is not aware of any claims that rank in priority to the proposed distributions that will not otherwise be satisfied from the Transaction proceeds.

F. Professional Fees

31. The fees (excluding disbursements and HST) of the Receiver and Bennett Jones in respect of Burlington from April 14, 2017 to July 31, 2018 total \$163,684.56 and \$177,097.37, respectively.

32. The fees of the Receiver and Bennett Jones are reasonable and appropriate in the circumstances, and should be approved.

G. General

33. The provisions of the BIA, as amended, the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and the inherent and equitable jurisdiction of this Court.

34. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990 Reg. 194, as amended.

35. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the Thirteenth Report, filed; and
2. such further and other material as counsel may advise and this Court may permit.

September 10, 2018

BENNETT JONES LLP
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Toronto, Ontario M5X 1A4

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Counsel to the Receiver,
KSV Kofman Inc.

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

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

Proceeding commenced at Toronto

**NOTICE OF MOTION
(Returnable September 17, 2018)**

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

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Counsel to the Receiver,
KSV Kofman Inc.

Tab 2



**Thirteenth Report of
KSV Kofman Inc.**

September 10, 2018

**as Receiver and Manager of Certain Property
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.**

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COURT FILE NO: CV-17-11689-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

THIRTEENTH REPORT OF
KSV KOFMAN INC.
AS RECEIVER AND MANAGER

SEPTEMBER 10, 2018

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") as receiver and manager (the "Receiver") of the real property municipally described as 2168 and 2174 Ghent Avenue, Burlington, Ontario (the "Real Property"), which Real Property is registered on title as being owned by 1703858 Ontario Inc. ("Burlington"), and of the assets, undertakings and properties acquired for or used in relation to the Real Property (together with the Real Property, the "Property").
2. Pursuant to an order of the Ontario Superior Court of Justice ("Court") dated October 27, 2016, Grant Thornton Limited was appointed Trustee ("Trustee") of eleven entities¹ which raised monies from investors ("Investors") through syndicated mortgage investments (collectively, the "Trustee Corporations")². Eight of the Trustee Corporations then advanced these monies on a secured basis pursuant to loan agreements between the Trustee Corporation and eleven entities, including Burlington (collectively, the "Davies Developers").

¹ Textbook Student Suites (525 Princess Street) Trustee Corporation, Textbook Student Suites (555 Princess Street) Trustee Corporation, Textbook Student Suites (Ross Park) Trustee Corporation, 2223947 Ontario Limited, MC Trustee (Kitchener) Ltd., Scollard Trustee Corporation, Textbook Student Suites (774 Bronson Avenue) Trustee Corporation, 7743718 Canada Inc., Keele Medical Trustee Corporation, Textbook Student Suites (445 Princess Street) Trustee Corporation and Hazelton 4070 Dixie Road Trustee Corporation

² Individuals who hold their mortgage investment in a Registered Retirement Savings Plan have a mortgage with Olympia Trust instead of the applicable Trustee Corporation.

3. On application by the Trustee, KSV was appointed Receiver of the Property on April 28, 2017. The order was amended on May 2, 2017 to address certain clerical errors (the "Amended and Restated Receivership Order").
4. Pursuant to various orders made by the Court, KSV is also the Receiver of certain property of the remaining Davies Developers.
5. On June 30, 2017, the Court made an order (the "Sale and Development Process Order") approving a process to solicit offers for the sale and/or development of the Real Property (the "SDP"). A copy of the Sale and Development Process Order is attached as Appendix "A".

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information with respect to these receivership proceedings;
 - b) summarize the results of the SDP carried out by the Receiver for the Real Property;
 - c) discuss the rationale for the request to place Memory Care Investments (Burlington) Ltd. ("MC Burlington"), Burlington's sole shareholder, into receivership;
 - d) summarize a transaction (the "Transaction") with 2642988 Ontario Inc. (the "Purchaser") for the sale of the Purchased Assets (as defined below) pursuant to an Agreement of Purchase and Sale dated July 23, 2018 between the Receiver and the Purchaser (the "APS"); and
 - e) recommend that the Court issue orders, *inter alia*:
 - i. approving the Transaction;
 - ii. placing MC Burlington into receivership for the purpose of completing the Transaction;
 - iii. vesting title in and to the Purchased Assets in the Purchaser, or as it may direct in accordance with the APS, free and clear of all liens, claims and encumbrances, except the Permitted Encumbrances (as defined in the APS) upon filing of a certificate confirming, among other things, completion of the Transaction;
 - iv. following the completion of the Transaction, authorizing and directing the Receiver to make a distribution to:
 - MarshallZehr Group Inc. ("MZG") to repay all amounts owing to it under a Receiver Certificate dated May 8, 2017 (the "Receiver Certificate");

- Limen Group Const. Ltd. ("Limen") and/or Varcon Construction Corporation ("Varcon"), lien claimants; and
 - the Trustee, on behalf of 2223947 Ontario Limited ("222"), in respect of Investor funds advanced to the Company, up to the amount owing to 222;
- v. sealing the confidential appendices to this Report pending completion of the Transaction; and
- vi. approving the fees and disbursements of the Receiver and its legal counsel, Bennett Jones LLP ("Bennett Jones"), in the Burlington receivership proceedings, from its commencement to July 31, 2018.

1.2 Currency

1. All references to currency in this Report are in Canadian dollars.

2.0 Background

1. The Davies Developers are developers of student residences, accommodations for people suffering from various forms of cognitive impairment and low-rise condominiums (collectively the "Projects").
2. The Davies Developers borrowed a principal amount of approximately \$119.940 million, comprised of \$93.675 million in secured debt owing to the Trustee Corporations (being monies raised by the Trustee Corporations from Investors) and \$23.675 million owing to mortgage lenders (the "Other Lenders"). The Receiver understands that the obligations owing to the Other Lenders rank in priority to the Trustee Corporations.
3. The funds advanced from the Trustee Corporations to the Davies Developers were to be used to purchase real property and to pay soft costs associated with the development of the Projects.
4. The Receiver is investigating transactions involving the Davies Developers, including how the Davies Developers used the monies advanced to them by Investors through the Trustee Corporations. The investigation has been discussed in various of the Receiver's reports. These reports can be found on the Receiver's website at www.ksvadvisory.com.

2.1 Burlington

1. During 2013, MC Burlington purchased the shares of Burlington for approximately \$2.5 million. The Receiver understands that the vendor was an arm's length party.
2. Burlington and two other Davies Developers, Memory Care Investments (Kitchener) Ltd. ("Kitchener") and Memory Care Investments (Oakville) Ltd. ("Oakville", and together with Kitchener and Burlington, the "Memory Care Entities") were to develop residences for people suffering from cognitive impairment.

3. Prior to the receivership proceedings, Burlington obtained building permits and site plan approval from the City of Burlington to construct the development. In connection with obtaining the site plan approval, MC Burlington paid:
 - a) development and education charges totalling approximately \$1.053 million to the City of Burlington and/or the Regional Municipality of Halton (the "Development Charges"); and
 - b) security deposits totalling approximately \$276,000 to the City of Burlington (the "Security Deposits" and together with the Development Charges, the "Prepaid Charges").
4. The monies used to pay for the Prepaid Charges were received from Oakville and Burlington as reflected in MC Burlington's banking activity summarized below.

Date	Description	Amount
July 12, 2015	Opening Balance	206
July 12, 2015	Receipt from Oakville	257,000
July 12, 2015	Receipt from Burlington	1,093,000
July 12, 2015	Payment of Development Charges	(1,053,817)
July 12, 2015	Payment of Security Deposit	(276,000)
July 12, 2015	Closing Balance	20,390

5. For the purpose of the distributions to be made in these proceedings, the Receiver proposes to allocate all of the proceeds from the proposed sale to Burlington. The Receiver understands that the Prepaid Charges only have value in connection with the Transaction, and that the Development Charges run with the Real Property (which is owned by Burlington).
6. The Real Property is essentially raw land. There has been some minor construction on the site.
7. John Davies is the sole director and officer of Burlington and MC Burlington.

2.2 Secured Creditors

2.2.1 MarshallZehr Group Inc.

1. Pursuant to the Amended and Restated Receivership Order, the Receiver borrowed \$1.775 million from MZG under a Receiver's Certificate to fund these proceedings (the "MZG Facility"). The interest rate on the MZG facility is 9.5% per annum. The MZG Facility had a term of one year, subject to the Receiver's right to extend the facility for one year, at its option.
2. Pursuant to an Amending Agreement dated May 15, 2018 (the "Amending Agreement"), the Receiver exercised the option and the amount of the facility was increased to \$1.963 million to account for an additional year of interest and a 1% lender fee. The Court approved the Amending Agreement on May 30, 2018.

3. As reflected below, the amounts borrowed from MZG were used to repay an arm's length first mortgage on the Burlington real property that was outstanding at the commencement of the receivership, fund interest reserves and pay the costs of the Burlington receivership proceedings, including professional fees.

(unaudited; \$)	Original Facility	Amending Agreement	Total
Loan proceeds	1,775,000	188,061	1,963,061
Interest reserves	(168,625)	(168,625)	(337,250)
MZG fees	(35,500)	(19,436)	(54,936)
MZG's legal fees	(5,075)	-	(5,075)
	1,565,800	-	1,565,800
Repayment of first mortgages	(1,343,622)	-	(1,343,622)
Remainder	222,178	-	222,178
Receivership Costs			
Professional fees ³			
Receiver (excluding accruals)	(73,851)	-	(73,851)
Receiver's legal counsel (excluding accruals)	(76,210)	-	(76,210)
Other costs	(32,737)	-	(32,737)
	(182,798)	-	(182,798)
Balance	39,380	-	39,380

4. If the MZG Facility is repaid prior to maturity, MZG is required to refund to the Receiver the pro-rated portion of the interest reserve.
5. MZG was granted a first ranking Court-ordered charge against the assets of Burlington, subject only to the Receiver's Charge and certain priority amounts set out in the *Bankruptcy and Insolvency Act (Canada)*. MZG has registered a mortgage against the Real Property.

2.2.2 222

1. 222 raised approximately \$8.3 million from Investors through syndicated mortgage investments. 222 then entered into a loan agreement with Burlington secured by a mortgage on the Real Property. At the date these proceedings commenced, 222 had spent all monies it had raised and the cash balance in its bank account was negligible.

³ The allocation of professional fees is discussed in Section 6 below.

2.3 Schedule of Receipts and Disbursements

1. A Schedule of Receipts and Disbursements reflecting the sources and uses of cash by Burlington⁴ is provided below.

(\$000s; unaudited)	Amount
Receipts	
Syndicated Mortgage Proceeds	8,303
Affiliated entities	2,281
Other lender	1,250
Other/unknown	232
	12,066
Disbursements	
Affiliated entities	2,839
Burlington share purchase	2,501
Development costs, including prepaid charges	2,402
Interest paid	1,565
Broker and referral fees	1,356
Payments to shareholders	854
Professional fees	259
Other/unknown	290
	12,066
Ending bank balance	-

2. The table reflects that of the nearly \$12.1 million in receipts:
 - approximately \$2.3 million was received from affiliated entities and \$2.8 million was advanced to affiliated entities;
 - approximately \$1.4 million was paid to brokers and for referral fees in connection with the syndicated mortgage investments; and
 - approximately \$850,000 was paid to shareholders and entities and individuals related to shareholders, including approximately \$592,000 paid to Aeolian Investments Ltd. ("Aeolian"). Aeolian is owned by John Davies' wife, Judith, and his children. Aeolian's sole director and officer is John Davies. Aeolian is an indirect shareholder of Burlington.

2.4 Representative Counsel

1. On January 24, 2017, the Court made an order appointing Chaitons LLP as representative counsel to the Investors ("Representative Counsel").

3.0 SDP

3.1 Overview

1. The Sale and Development Process Order approved the retention of Colliers Macaulay Nicolls Inc. ("Colliers") as the listing agent for the real properties owned by the Memory Care Entities.

⁴ includes receipts and disbursements of MC Burlington.

2. A summary of the SDP for the Memory Care Entities is as follows:

Pre-marketing Phase

- a) Immediately following the making of the Sale and Development Process Order, the Receiver and Colliers assembled information to be made available to interested parties in a virtual data room ("VDR");
- b) Colliers and the Receiver worked together to prepare:
 - an investment summary detailing the acquisition opportunity for the real properties owned by the Memory Care Entities (the "Investment Summary"). The marketing materials set out that interested parties can bid on any number of the Memory Care Entities' properties;
 - a confidentiality agreement ("CA");
 - the VDR, which contained, *inter alia*, reports concerning each development (such as geotechnical reports) and a summary of each of the Memory Care Entities' development plans;
 - a form of asset purchase agreement, which was made available in the VDR; and
 - a Confidential Information Memorandum ("CIM"), which included a summary of each property and the details of the SDP.

Marketing Phase

- a) On August 1, 2017, Colliers sent the Investment Summary to over 1,900 parties in its database, including retirement home developers in Ontario, builders and developers in Southern Ontario and parties that had contacted the Receiver prior to the commencement of the SDP;
- b) The CA was attached to the Investment Summary. Interested parties were required to sign the CA to obtain a copy of the CIM and to be provided access to the VDR;
- c) A listing was posted on the Toronto Real Estate Board Multiple Listing Services ("MLS");
- d) Interested parties were encouraged to submit purchase or joint venture offers; and
- e) The opportunity was advertised in the national edition of *The Globe and Mail* newspaper on August 15, 2017.

Bid Deadline

- a) As there are a limited number of parties who would be interested in developing a memory care project, the Receiver and Colliers determined that they should first canvass the market before setting a bid deadline;
- b) After canvassing the market for several weeks, Colliers advised the Receiver that it was its view that the bid deadline should be September 28, 2017 (the "Bid Deadline"), being approximately eight weeks from the commencement of the marketing process; and
- c) Colliers notified interested parties of the Bid Deadline. In order to compare offers received, Colliers encouraged interested parties to submit their offers in the form of the asset purchase agreement provided in the VDR and to blackline changes made to that agreement.

3.2 Sale Process Results

1. A summary of the results of the SDP is as follows:
 - 104 parties executed the CA, were provided a copy of the CIM and provided access to the data room;
 - multiple offers were received for each of the Memory Care Entities' properties, including five for the Real Property; and
 - no joint venture proposals were received.
2. None of the offers received at the Bid Deadline were acceptable to the Receiver. Accordingly, the Receiver instructed Colliers to continue to market the Real Property. The marketing process continued until July 2018, at which time the Receiver entered into the APS.
3. Between the Bid Deadline and the time that the Receiver commenced negotiations with the Purchaser, several parties expressed an interest in the Property, including one that considered a joint venture. None of these parties provided an unconditional offer. In respect of the joint venture, the Receiver was unable to negotiate acceptable terms and the prospective partner did not have financing.
4. The principal concern raised by interested parties during the SDP was that they wanted to change the Real Property's zoning from memory care to residential, which required long lead times and negotiations with the City of Burlington.
5. In May 2018, the Receiver commenced negotiations with the Purchaser. A principal of the Purchaser sold syndicated mortgages to at least some of Burlington's Investors. Additionally, the Receiver understands that Raj Singh is an advisor to the Purchaser. Mr. Singh was the sole director and officer of 222 and Tier 1 Mortgage Corporation ("Tier 1") and a licensed mortgage agent with First Commonwealth Mortgage Corporation ("FCMC"). Tier 1 and FCMC promoted and sold the syndicated mortgage investments to Investors. Mr. Singh's legal counsel has advised the Receiver that Mr. Singh does not have a financial or economic interest in the Transaction.
6. The Receiver and the Purchaser executed the APS on July 23, 2018 and the Purchaser waived its diligence condition on August 22, 2018. The only remaining condition is Court approval.

7. A summary of the offers received for the Real Property is provided in Confidential Appendix "1" (the "Offer Summary"). The Receiver's rationale for requesting that the Offer Summary be sealed is provided in Section 4.2 below.

3.3 Joint Venture Consideration

1. The Receiver retained Cushman & Wakefield Ltd. ("Cushman") to investigate the feasibility of a joint venture for the Real Property.⁵ Cushman advised that the Real Property is not attractive for a joint venture given the small scale of the intended development and the resulting economics.
2. The one joint venture opportunity that arose during the SDP was not pursued for the reasons discussed above.

4.0 Transaction⁶

1. A summary of the Transaction is as follows:
 - **Purchaser:** 2642988 Ontario Inc., a single purpose entity incorporated for the purpose of the Transaction;
 - **Purchased Assets:** all of the Receiver's, Burlington's and MC Burlington's right, title and interest in the following:
 - (i) the Real Property;
 - (ii) the Site Plan Agreement;
 - (iii) prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Real Property;
 - (iv) the Plans;
 - (v) the Permits in connection with the Real Property, to the extent transferable;
 - (vi) the Prepaid Charges; and
 - (vii) all intellectual property, if any, with respect to the Project;
 - **Purchase Price:** the Receiver recommends that the Purchase Price be sealed. The purchase price will be adjusted on closing for the full value of the Security Deposits. The consideration payable by the Purchaser with respect to the Development Charges is included in the purchase price. The purchase price will also be adjusted for other amounts typical to a real estate transaction. A schedule reflecting the calculation of the purchase price, after expected adjustments, is attached as Confidential Appendix "2" (the "Purchase Price Schedule");

⁵ Cushman was retained by the Receiver on several Davies Developers' projects to provide advice on joint venture opportunities.

⁶ Terms not defined in this section have the meaning provided to them in the APS.

- **Deposit:** the Purchaser has paid a deposit representing 16% of the purchase price;
- **Excluded Assets:** the Receiver's, Burlington's and MC Burlington's right, title and interest in any assets of Burlington and MC Burlington, other than the Purchased Assets, and includes: (i) books and records that do not exclusively or primarily relate to the Purchased Assets; (ii) tax refunds; and (iii) all contracts entered into by Burlington (other than the Site Plan Agreement);
- **Representation and Warranties:** consistent with standard terms of an insolvency transaction, i.e. on an "as is, where is" basis, with limited representations and warranties;
- **Conditions (other than Court approval) include:**
 - (i) there shall be no order issued by a Governmental Authority against either of the Parties or involving the Purchased Assets that enjoins, prevents or restrains completion of the Transaction;
 - (ii) there shall be no new work orders or similar notices or orders, and no new Encumbrances registered on title to the Real Property or affecting title to the Real Property arising or registered after the date of the APS, which cannot be vested out pursuant to the Approval and Vesting Order;
 - (iii) the Project Plans and an authorization for the architect permitting the use of the Project Plans by the Purchaser shall have been delivered to the Purchaser's solicitors in escrow, with the only condition to the release thereof being the payment to Burlington's former architect of \$31,220.67, being the amounts owing by Burlington to the former architect. The architect has agreed to provide its authorization provided the amounts owing are paid;⁷
 - (i) the City of Burlington shall have delivered written confirmation to the Purchaser that it has no intention of revoking any of the Permits during the six-month period commencing on the date of such confirmation and such confirmation shall have not been revoked or altered prior to Closing. On June 15, 2018, the Purchaser received confirmation from the City of Burlington that it would not revoke any Permits for a period of six months;
 - (iv) there shall be no new environmental issue that causes a material adverse effect on the Real Property and there shall not be any other material adverse change to the condition or operation of the Real Property.
- **Closing:** the earlier of: (i) five business days after receipt of the Approval and Vesting Order; and (ii) the Outside Date, being the first business day which is 45 days after the Receiver receives notice that the Purchaser waived its diligence condition. If the Approval and Vesting Order has not been obtained by the Outside Date, the Receiver can extend the Outside Date to November 30, 2018, provided that the City of Burlington provides confirmation that it will not revoke the Permits for a period of ninety days after November 30, 2018;

⁷ The Purchaser and Receiver have agreed that the Purchaser will pay the architect \$21,220.67 and Receiver will pay the architect \$10,000.

- **Termination:** the APS can be terminated:
 - (i) upon mutual written agreement of the Receiver and the Purchaser;
 - (ii) if any of the conditions in favour of the Purchaser or Receiver are not waived or satisfied; and
 - (iii) if prior to closing: (a) the Purchased Assets are substantially damaged or destroyed. Substantial damage is deemed to have occurred if the loss or damage to the Purchased Assets exceeds 15% of the Purchase Price; or b) a Government Authority expropriates all or a material part of the Real Property.
2. A redacted version of the APS is attached as Appendix "B". An unredacted version of the APS is provided in Confidential Appendix "3".

4.1 Receivership of MC Burlington

1. The Receiver is seeking to add MC Burlington as a receivership company in this proceeding for the sole purpose of completing the Transaction.
2. Although the Prepaid Charges were funded by MC Burlington, the Receiver understands that, as a matter of law, MC Burlington has no ongoing or reversionary interest in the Development Charges. Instead, as a matter of law, the Development Charges now run with the Real Property. However, the Receiver further understands that MC Burlington may have an ongoing or reversionary interest in the Security Deposits.
3. The Purchaser requires that the Approval and Vesting Order vest in the purchaser any right, title or interest that MC Burlington has in the Prepaid Charges.
4. The Receiver is not aware of MC Burlington having any assets other than the shares of Burlington and its potential interest in the Security Deposits.

4.2 Confidentiality

1. The Receiver recommends that the Offer Summary, the Purchase Price Schedule and the unredacted APS be filed with the Court on a confidential basis and be sealed ("Sealing Order") as the documents contain confidential information. If the APS, the Purchase Price Schedule and the Offer Summary are not sealed, the information may negatively impact future transactions if the Transaction does not close. The Receiver is not aware of any party that will be prejudiced if the information is sealed. Accordingly, the Receiver believes the proposed Sealing Order is appropriate in the circumstances.

4.3 Recommendation

1. The Receiver recommends that the Court issue orders placing MC Burlington into receivership and approving the Transaction for the following reasons:
 - a) MC Burlington's only assets are the shares of Burlington and its interest in the Security Deposits, the latter of which are connected to the Real Property and are required to be conveyed to the Purchaser as part of the Transaction;

- b) the SDP was conducted in accordance with the Sale and Development Process Order;
- c) the market was widely canvassed for an extended period of time using several marketing techniques, including direct solicitation of prospective purchasers by Colliers, a newspaper advertisement in a national publication, and listing the property on MLS. Colliers introduced this opportunity to at least 1,900 of its contacts and has negotiated potential transactions with a myriad of parties;
- d) Colliers is familiar with the local real estate market and is of the view that the Transaction is the best one available in these circumstances;
- e) Colliers and the Receiver discussed joint venture opportunities with interested parties – only one such opportunity was identified and it was not pursued because terms could not be negotiated and the prospective partner did not have financing. The Receiver also consulted with Cushman regarding the feasibility of a joint venture transaction. Cushman advised that the small scale of the project may make a joint venture uneconomic;
- f) MZG has consented to the Transaction. MZG is concerned about the risk of extending the SDP. The Real Property has been marketed for thirteen months. Absent the Transaction, the marketing process would continue without any certainty of completing a superior transaction, during which future professional fees and other costs will erode the proceeds available for distribution; and
- g) the Receiver has kept the Trustee and Representative Counsel apprised of the SDP and each has consented to the Transaction.

5.0 Distributions

5.1 Secured Creditors

1. MZG and 222 are secured creditors of Burlington. MZG has a Court-approved senior ranking facility in accordance with the terms of the Receiver's Certificate.
2. Bennett Jones LLP ("Bennett Jones"), the Receiver's legal counsel, provided the Receiver with an opinion on 222's security which indicates that, subject to standard qualifications and assumptions, 222's mortgage on the Real Property constitutes a valid and enforceable charge. A copy of the security opinion will be made available to the Court if the Court wishes to review it.

5.2 Liens

1. According to the Land Titles Office, two liens have been registered against title to the Real Property, pursuant to the *Construction Lien Act*, R.S.O. 1990, c. C.30, as amended. The first lien was registered by Varcon, the general contractor on the Burlington project, in the amount of \$786,999.80. The second lien was registered by Limen, a subcontractor, in the amount of \$91,476.89.

2. The Receiver's counsel has reviewed the liens. Burlington, as owner, was required to maintain a statutory holdback of 10% of the services and materials provided by Varcon. Varcon provided services and materials totaling \$902,501.76 and accordingly, Burlington ought to have maintained a statutory holdback of approximately \$90,250.17 (the "Priority Lien Amount"). Burlington did not maintain any such holdback.
3. The Receiver understands that Varcon and Limen agree with the Receiver's view of the Priority Lien Amount and have reached an agreement between themselves as to the division of the Priority Lien Amount. The Receiver intends to distribute the Priority Lien Amount to Varcon and/or Limen on receiving notice from each as to the amounts distributable to them.

5.3 Proposed Distributions

1. The Receiver is maintaining a reserve from each of the Davies Developers to fund the costs of its investigation into their pre-receivership affairs and the litigation that results therefrom (the "Litigation Reserve"). The Receiver intends to determine with the Trustee the portion of the Transaction proceeds that will be retained as part of the Litigation Reserve. Amounts greater than the Litigation Reserve will be distributed forthwith by the Receiver to the Trustee.
2. The Receiver is seeking Court approval to make the following distributions upon closing of the Transaction:
 - a) first, to pay the fees and expenses owing to the Receiver and its counsel in the amount of \$101,511.89 and \$116,938.18, respectively.⁸ The Receiver and its counsel have been deferring payment of their invoices for several months given the limited balance in Burlington's receivership bank account;
 - b) second, to repay the MZG Facility, in full;
 - c) third, the Priority Lien Amount to Varcon and/or Limen upon receipt of a written direction from them; and
 - d) fourth, to repay amounts owing to 222 until 222 is paid in full.
3. Other than the Receiver's Charge, the Receiver is not aware of any claims that rank in priority to the proposed distribution above that will not otherwise be satisfied from the Transaction proceeds.

6.0 Professional Fees

1. The fees of the Receiver and Bennett Jones in respect of Burlington from April 14, 2017 to July 31, 2018 total \$163,684.56 and \$177,097.37, respectively, excluding disbursements and HST. Detailed invoices are provided in the affidavits filed by representatives of the Receiver and Bennett Jones which are provided in Appendices "C" and "D", respectively. The invoices include limited redactions where necessary to maintain confidentiality, particularly in respect of litigation matters⁹.

⁸ Including HST

⁹ Unredacted invoices will be made available to the Court upon request.

2. The average hourly rate for the Receiver and Bennett Jones for the referenced billing period was \$533.40 and \$516.94, respectively.
3. The Receiver and its counsel have allocated the fees to a specific project when their activities relate to a specific project. However, a significant portion of the activities performed by the Receiver and its counsel are of a general nature, and are not specifically allocable to a project, including time related to the investigation of the Davies Developers and the litigation. The Receiver and its counsel have allocated such time evenly across the relevant Davies Developers.
4. The Receiver is of the view that the hourly rates charged by Bennett Jones are consistent with the rates charged by downtown Toronto law firms practicing in the area of insolvency and restructuring in the Toronto market, and that the fees charged are reasonable in the circumstances.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Court make an Order granting the relief detailed in Section 1.1 (1)(e) of this Report.

* * *

All of which is respectfully submitted,

KSV Kofman Inc

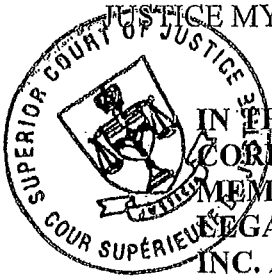
**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
CERTAIN PROPERTY OF 1703858 ONTARIO INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	FRIDAY, THE 30 th
)	
JUSTICE MYERS)	DAY OF JUNE, 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

ORDER

THIS MOTION, made by KSV Kofman Inc. (the “**Receiver**”), in its capacity as 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 Fifth Report dated June 26, 2017 (the “**Fifth Report**”), together with the appendices thereto,

AND UPON HEARING the submissions of counsel for the Receiver and those other counsel present,

SERVICE AND DEFINITIONS

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

ENGAGEMENT OF LISTING AGENTS

2. **THIS COURT ORDERS** that the Receiver and Royal Lepage Lakes of Muskoka Realty Inc. ("**Royal Lepage**") are authorized to execute and to carry out and perform their respective obligations under the Listing Agreement dated June 23, 2017 between the Receiver and Royal Lepage, attached as Appendix "C" to the Fifth Report (the "**Royal Lepage Listing Agreement**").
3. **THIS COURT ORDERS** that the Receiver and Colliers Macaulay Nicolls Inc. ("**Colliers**") are authorized to execute and to carry out and perform their respective obligations under the Listing Agreements dated June 26, 2017 between the Receiver and Colliers, attached as Appendices "D", "E" and "F" to the Fifth Report (the "**Colliers Listing Agreements**").
4. **THIS COURT ORDERS** that the Receiver and SVN Rock Advisors Inc. ("**SVN**") are authorized to execute and to carry out and perform their respective obligations under the Listing Agreements dated June 23, 2017 between the Receiver and SVN, attached as Appendices "G" and "H" to the Fifth Report (the "**SVN Listing Agreements**", and together with the Royal Page Listing Agreement and the Colliers Listing Agreements, the "**Listing Agreements**").

APPROVAL OF STRATEGIC PROCESS

5. **THIS COURT ORDERS AND DECLARES** that the strategic process (the "**Strategic Process**"), as described in Section 3 of the Fifth Report, be and is hereby approved.
6. **THIS COURT ORDERS** that the Receiver, Royal Lepage, Colliers and SVN be and are hereby authorized and directed to perform their obligations under and in accordance with

the Strategic Process, including under the terms of the Listing Agreements, and to take such further steps as they consider necessary or desirable in carrying out the Strategic Process.

7. **THIS COURT ORDERS** that the Receiver, and its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Strategic Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Receiver in performing its obligations under the Strategic Process (as determined by this Court).
8. **THIS COURT ORDERS** that in connection with the Strategic Process and pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Receiver, Royal LePage, Colliers and SVN are authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers or offerors and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more transactions (each, a "**Transaction**"). Each prospective purchaser or offeror to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Receiver or the applicable listing agent; (ii) destroy all such information; or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. Notwithstanding the foregoing, the transacting party with respect to any property of the Receivership Companies shall be entitled to continue to use the personal information provided to it, and related to such property purchased, in a manner which is in all material respects identical to the prior use of such information by the Receivership Company.

FUNDING

9. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby empowered to borrow the sum of up to \$300,000 (or such greater amount as this Court may by further

Order authorize) by way of the Legacy Lane Commitment Letter attached to the Fifth Report (the "**Legacy Lane Borrowings**"), which Legacy Lane Borrowings shall benefit from a fixed and specific charge on the property of Legacy Lane as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge (as defined in the Second Amended and Restated Order dated February 2, 2017), and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the *Bankruptcy and Insolvency Act* (the "**BIA**"), and the Legacy Lane Commitment Letter and the terms and conditions thereof, be and are hereby approved by this Court.

10. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby empowered to borrow the sum of up to \$400,000 (or such greater amount as this Court may by further Order authorize) by way of the 525 Princess Commitment Letter attached to the Fifth Report (the "**525 Princess Borrowings**"), which 525 Princess Borrowings shall benefit from a fixed and specific charge on the property of 525 Princess as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge (as defined in the Second Amended and Restated Order dated February 2, 2017), and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, and the 525 Princess Commitment Letter and the terms and conditions thereof, be and are hereby approved by this Court.
11. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby empowered to borrow the sum of up to \$400,000 (or such greater amount as this Court may by further Order authorize) by way of the 555 Princess Commitment Letter attached to the Fifth Report) (the "**555 Princess Borrowings**"), which 555 Princess Borrowings shall benefit from a fixed and specific charge on the property of 555 Princess as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge (as defined in

the Second Amended and Restated Order dated February 2, 2017), and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, and the 555 Princess Commitment Letter and the terms and conditions thereof, be and are hereby approved by this Court.

12. **THIS COURT ORDERS** that no security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
13. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order, including, without limitation, for the Legacy Lane Borrowings, the 525 Princess Borrowings, and the 555 Princess Borrowings.
14. **THIS COURT ORDERS** that any additional monies from time to time borrowed by the Receiver pursuant to any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis but immediately subordinate to the borrowings made pursuant to this Order, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SEALING ORDER

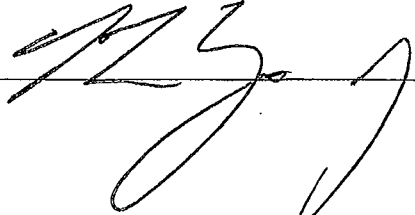
15. **THIS COURT ORDERS** that the confidential appendix to the Fifth Report be sealed, kept confidential and not form part of the public record pending further Order of this Court.

GENERAL

16. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or elsewhere to give effect to this Order and to assist the Receiver and its 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 the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to

grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

17. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

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

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

JUN 30 2017

PER / PAR: 

SCHEDULE "A"
RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that KSV Kofman Inc., the receiver and manager (in such capacity, the "**Receiver**") of, among other property, certain real property registered on title as being owned by [applicable Debtor] (the "**Debtor**") and that is listed on Schedule "A" hereto (collectively, the "**Real Property**") and of all the assets, undertakings and properties of the Debtor acquired for or used in relation to the Real Property (together with the Real Property, the "**Property**"), appointed by the Second Amended and Restated Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated February 2, 2017 (the "**Order**") made in a motion assigned to Court file number CV-17-11689-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable [on demand by the Lender][by no later than the ____ day of _____] with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time plus reasonable and documented fees.

3. Such principal sum with interest and fees thereon is, by the terms of the Order, together with the principal sums and interest and fees thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property except for the Deposits (as defined in the Order), if applicable, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal, interest and fees under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2017.

KSV Kofman Inc., solely in its capacity as the Receiver of the Property, and not in its personal capacity

Per: _____
Name:
Title:

SCHEDULE "A" TO THE RECEIVER'S CERTIFICATE
LEGAL DESCRIPTION OF THE REAL PROPERTY

The real property legally described by the following PINs:

[•].

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

BENNETT JONES LLP

One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Sean H. Zweig (LSUC #57307I)

Tel: (416) 777-6254

Fax: (416) 863-1716

Lawyers for the Receiver,
KSV Kofman Inc.

Appendix “B”

AGREEMENT OF PURCHASE AND SALE**BETWEEN****KSV KOFMAN INC.**

in its capacity as court-appointed receiver
of all the real property registered on title as being owned by 1703858 Ontario Inc. and of all the
assets, undertakings and properties of 1703858 Ontario Inc. acquired for or used in relation to
such real property,
and not in its personal capacity or in any other capacity

- and -

2642988 ONTARIO INC.

Dated: July 23, 2018

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this 23rd day of July, 2018.

BETWEEN:

KSV KOFMAN INC., in its capacity as court-appointed receiver of all the real property registered on title as being owned by 1703858 Ontario Inc. and of all the assets, undertakings and properties of 1703858 Ontario Inc. acquired for or used in relation to such real property, and not in its personal capacity or in any other capacity

(in such capacity, the "**Receiver**")

- and -

2642988 ONTARIO INC.

(the "**Purchaser**")

RECITALS

- A. **WHEREAS** pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on May 2, 2017 (the "**Receivership Order**"), the Receiver was appointed as the court-appointed receiver of, among other things, all of the lands and premises municipally described as 2168 and 2174 Ghent Avenue, Burlington, Ontario (collectively, the "**Lands**") and all of the present and after-acquired assets, undertaking and properties of 1703858 Ontario Inc. (the "**Debtor**") acquired for or used in relation to the Lands (collectively, together with the Lands, the "**Property**");
- B. **AND WHEREAS** concurrently with obtaining the Approval and Vesting Order the Receiver will seek to add Memory Care Investments (Burlington) Ltd. as a debtor under the receivership originally established pursuant to the Receivership Order;
- C. **AND WHEREAS** pursuant to the Receivership Order the Receiver was authorized to, among other things, market the Purchased Assets (as defined hereafter) and apply for an order of the Court approving the sale of the Purchased Assets and vesting in and to a purchaser all the Debtor's right, title and interest in and to the Purchased Assets;
- D. **AND WHEREAS** pursuant to an order of the Court issued on June 30, 2017, a strategic process was approved by the Court and implemented by the Receiver;
- E. **AND WHEREAS** the Purchaser wishes to purchase and the Receiver wishes to sell the Purchased Assets upon the terms and subject to the conditions set out herein;

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and

sufficiency of which are each hereby acknowledged by the Parties (as defined hereafter), the Parties agree as follows:

ARTICLE 1
DEFINED TERMS

1.1 Definitions

In this Agreement:

"Acceptance Date" means the date that this Agreement is executed by and delivered to all Parties hereunder;

"Accounts Payable" means all amounts incurred prior to the Closing Date relating to the Business owing to any Person which are incurred in connection with the purchase of goods or services in the ordinary course of business;

"Agreement" means this agreement of purchase and sale, including all schedules and all amendments or restatements, as permitted, and references to **"article"**, **"section"** or **"schedule"** mean the specified article, section of, or schedule to this Agreement and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement;

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

"Approval and Vesting Order" means the approval and vesting order issued by the Court approving this Agreement and the transactions contemplated by this Agreement, and authorizing and directing the Receiver to complete the Transaction and conveying to the Purchaser all of each of the Receiver's, the Debtor's and Memory Care's right, title and interest, if any, in and to the Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances, and which order shall be substantively in the form of the draft order attached as Schedule "A" hereto;

"Architect Authorization" means, collectively: (i) the licence, approval or other authorization from the Original Architect permitting the use of the Project Plans by or for the benefit of the Purchaser and its architect in form and substance satisfactory to the Purchaser, acting reasonably; and (ii) the fully completed and executed Part B of the form entitled "Owner Commitment to have General Review Undertaken by Architects and/or Professional Engineers" in respect of the project to be constructed on the Lands;

Books and Records" means the files, documents, instruments, surveys, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) pertaining to the Purchased Assets that have been or will be delivered by the Receiver to the Purchaser at or before Closing; provided, however, that "Books and Records" shall not include any bank or accounting records;

"Business" means the business carried on by the Debtor with respect to the Property;

"Business Day" means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;

"Claims" means any and all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including solicitor and client costs and disbursements, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing, related to the Debtor, Memory Care or the Real Property, and **"Claim"** means any one of them;

"Closing" means the successful completion of the Transaction;

"Closing Date" means the earlier of: (i) subject to Section 13.2(b) and Section 13.2(c), the fifth (5th) Business Day immediately after the receipt by the Parties of the Approval and Vesting Order; and (ii) the Outside Date;

"Closing Time" means 4:00 p.m. (Toronto time) on the Closing Date or such other time as agreed in writing by the Parties;

"Confidential Information" has the meaning given in Section 6.1 herein;

"Contracts" means all of the contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which the Debtor is a party and which relate to the Business;

"Court" has the meaning set out in the recitals hereof;

"Debtor" has the meaning set out in the recitals hereof;

"Deposit" has the meaning given in Section 4.2 herein and includes collectively the First Deposit and, if applicable, the Second Deposit;

"Development Charges" means, collectively, the following payments made by or on behalf of the Debtor and/or Memory Care to the Corporation of the City of Burlington and/or the Regional

Municipality of Halton in connection with the Site Plan Approval and/or Site Plan Agreement: (i) the \$154,118.00 paid to the Corporation of the City of Burlington in respect of development charges; (ii) the \$504,065.96 paid to the Corporation of the City of Burlington for the Regional Municipality of Halton; (iii) the \$76,632.00 paid to the Corporation of the City of Burlington in respect of education charges (School Board); and (iv) the \$319,000.00 paid to the Corporation of the City of Burlington in respect of park dedication;

"**Due Diligence**" has the meaning given in Section 8.1 herein;

"**Due Diligence Condition**" has the meaning given in Section 8.1 herein;

"**Encumbrances**" means all liens, charges, security interests (whether contractual, statutory or otherwise), pledges, leases, offers to lease, title retention agreements, mortgages, restrictions on use, development or similar agreements, easements, rights-of-way, title defects, options or adverse claims or encumbrances of any kind or character whatsoever;

"**ETA**" means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

"**Execution Date**" means the date of execution of this Agreement by all parties;

"**Excluded Assets**" means the Receiver's, the Debtor's and Memory Care's right, title and interest in and to any asset of the Receiver, the Debtor and Memory Care other than the Purchased Assets, which Excluded Assets include the Receiver's, the Debtor's and Memory Care's right, title and interest in and to the following:

- (a) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Debtor or Memory Care that do not relate exclusively or primarily to any of the Purchased Assets;
- (b) the benefit of any refundable Taxes (other than the Development Charges) payable or paid by the Debtor or Memory Care in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of the Debtor or Memory Care to any refund, rebate, or credit of Taxes for the period prior to the Closing Date; and
- (c) the Contracts (other than the Site Plan Agreement);

"**Excluded Liabilities**" has the meaning given in Section 3.3 herein;

"**Governmental Authority**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation,

province, republic, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and "**Governmental Authority**" means any one of them;

"**HST**" means harmonized sales tax imposed under Part IX of the ETA;

"**ITA**" means the *Income Tax Act*, R.S.C. 1985, c.1, as amended;

"**Lands**" has the meaning set out in the recitals hereof, the legal descriptions of which Lands are attached as Schedule "C" hereto, and includes all rights and benefits appurtenant thereto (including, without limitation, the benefit of the Development Charges and, to the extent running with the Lands, the benefit of the Permits);

"**LRO**" means the Land Registry Office for the Land Titles Division of Halton (No. 20);

"**Memory Care**" means Memory Care Investments (Burlington) Ltd.;

"**Notice**" has the meaning given in Section 17.3 herein;

"**Original Architect**" means Fabiani Architect Ltd or its successors and assigns as owner of the Project Plans;

"**Outside Date**" means, subject to Section 9.5, the first (1st) Business Day which is forty-five (45) days after the date on which the Receiver receives the Waiver Notice;

"**Parties**" means the Receiver and the Purchaser;

"**Permits**" means all the authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights or privileges issued, granted or required by any Governmental Authority in respect of the Real Property and/or the development thereof and includes, without limitation, the following: (i) the Site Plan Approval; (ii) City of Burlington Permit No. 14 026029 FND 00 GP (Foundation & Site Servicing Permit); (iii) City of Burlington Permit No. 14 026029 STR 01 GP (Superstructure Permit); (iv) City of Burlington Permit No. 14 026029 REV 02 GP (Exterior Cladding Permit); and (v) Zoning Clearance Certificate No. 16-007337;

"**Permitted Encumbrances**" means all those Encumbrances described in Schedule "B" hereto;

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

"**Plans**" means the Project Plans and all other plans, designs and specifications in connection with the Real Property which are in the possession or control of the Receiver (it being

acknowledged that save and except for the adjustment contemplated in Section 4.5(c) the Receiver is under no obligation to incur additional expense to obtain the Project Plans or any other such plans, designs and specifications);

"Project Plans" means the plans and drawings for the project planned for development on the Lands listed in Schedule D hereto, in CAD and/or PDF format;

"Property" has the meaning set out in the recitals hereof;

"Purchase Price" has the meaning set out in Section 4.1 herein;

"Purchased Assets" means: (i) the fee simple interest in the Real Property; and (ii) all of the Debtor's and Memory Care's right, title and interest in and to the following:

- (a) the Site Plan Agreement;
- (b) the full benefit of all prepaid expenses, development charges and all deposits and security deposits with any Person, public utility or Governmental Authority relating to the Real Property and/or the development thereof;
- (c) the Plans;
- (d) the Permits, but only to the extent transferable to the Purchaser or the Purchaser's permitted assignees;
- (e) the Development Charges;
- (f) the Security Deposits; and
- (g) all intellectual property, if any, with respect to the development to be completed on the Lands,

provided, however, that the Purchased Assets shall not include the Excluded Assets or the Excluded Liabilities;

"Purchaser" means 2642988 Ontario Inc.;

"Purchaser Representatives" has the meaning given in Section 6.1 herein;

"Purchaser's Conditional Period" has the meaning given in Section 8.1 herein;

"Purchaser's Solicitors" means Davies Ward Phillips & Vineberg LLP;

"Real Property" means the Lands, together with all buildings, improvements and structures thereon, as well as all plans, designs and specifications in connection therewith;

"**Receiver**" has the meaning set out in the recitals hereof;

"**Receiver's Certificate**" has the meaning set out in the Approval and Vesting Order;

"**Receivership Order**" has the meaning set out in the recitals hereof;

"**Receiver's Solicitors**" means Bennett Jones LLP;

"**Rights**" has the meaning given in Section 3.1(c) herein, but only has such meaning in such Section;

"**Security Deposits**" means the security deposits which, as of the date hereof, are in the aggregate sum of TWO HUNDRED SEVENTY-SIX THOUSAND, FIVE HUNDRED NINETY-FIVE DOLLARS AND SIX CENTS (\$276,595.06) that were paid in cash (not as one or more letters of credit) by or on behalf of the Debtor and/or Memory Care to the City of Burlington or other Governmental Authorities in respect of the development of the Real Property in accordance with the Permits;

"**Site Plan Agreement**" means the agreement dated June 11, 2014 between the Debtor and the Corporation of the City of Burlington, notice of which is registered against title to the Lands as Instrument No. HR1190741;

"**Site Plan Approval**" means the final site plan approval in respect of the Lands (referred to as file number 535-014/13);

"**Taxes**" means all taxes, HST, land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, excise, real property and personal property taxes, and any related interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;

"**Transaction**" means the transaction of purchase and sale contemplated by this Agreement; and

"**Waiver Notice**" has the meaning given in Section 8.1 herein.

ARTICLE 2 **SCHEDULES**

2.1 Schedules

The following schedules are incorporated in and form part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule A	Approval and Vesting Order

Schedule B
Schedule C

Permitted Encumbrances
Legal Description of Lands

ARTICLE 3
AGREEMENT TO PURCHASE

3.1 Purchase and Sale of Purchased Assets

- (a) Relying on the representations and warranties herein and subject to the terms and conditions contained in this Agreement, the Receiver hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, the Purchased Assets on the Closing Date free and clear of all Encumbrances, other than the Permitted Encumbrances.
- (b) Subject to the Closing, the Receiver hereby remises, releases and forever discharges to, and in favour of, the Purchaser, all of its rights, claims and demands whatsoever in the Purchased Assets.
- (c) This Agreement or any document delivered in connection with this Agreement shall not constitute an assignment of any rights, benefits or remedies (in this Section 3.1(c), collectively, the "**Rights**") under any Permits that are not assignable by the Receiver to the Purchaser without the required consent of the other party or parties thereto (collectively, the "**Third Party**"). To the extent any such consent is required and not obtained by the Receiver prior to the Closing Date, then, to the extent permitted by Applicable Law:
 - (i) the Receiver will, at the request, direction and cost of the Purchaser, acting reasonably, assist the Purchaser, in a timely manner and using commercially reasonable efforts, in applying for and obtaining all consents or approvals required under the Permits (including for the transfer thereof) in a form satisfactory to the Receiver and the Purchaser, acting reasonably;
 - (ii) the Receiver will only deal with or make use of such Rights in accordance with the directions of the Purchaser;
 - (iii) at the Purchaser's cost, the Receiver will use its commercially reasonable efforts to take such actions and do such things as may be reasonably and lawfully designed to provide the benefits of the Permits to the Purchaser, including holding those Permits in trust for the benefit of the Purchaser or acting as agent for the Purchaser pending such assignment; and
 - (iv) in the event that the Receiver receives funds with respect to those Permits, the Receiver will promptly pay over to the Purchaser all such funds

collected by the Receiver, net of any outstanding costs directly related to the assignment in respect of such Permits.

Upon obtaining the consent or approval to any transfer of any such Permits, the Receiver shall, at the request, direction and cost of the Purchaser, carry out such further steps as may be required by any Governmental Authority or reasonably requested by the Purchaser to transfer such Permits to the Purchaser.

- (d) For greater certainty, notwithstanding anything contained in Section 3.1(c), from and after the date hereof until Closing the Receiver shall deliver to the Purchaser all such documents as are required by any Governmental Authority (or reasonably requested by the Purchaser) to fully transfer (or apply for the transfer of) all Permits to the Purchaser, executed by each required transferor/applicant. Without limiting the generality of the foregoing, it is acknowledged that such documents may include the City of Burlington's form entitled "Application for a Permit: Partial Occupancy – Unfinished Building, Transfer of Permit – New Ownership".
- (e) The provisions of this Section 3.1 shall not merge but shall survive the completion of the Transaction. Notwithstanding the foregoing, nothing herein shall prohibit the Receiver, in its sole, absolute and unfettered discretion, from seeking to be discharged as receiver of the Debtor at any time after Closing. The parties hereto hereby acknowledge and agree that the covenants of the Receiver contained in this Section 3.1 shall terminate concurrently with the discharge of the Receiver as receiver of the Debtor.

3.2 Excluded Assets

Notwithstanding anything else in this Agreement, the Purchased Assets shall not include the Excluded Assets.

3.3 Excluded Liabilities

The Purchaser is not assuming, and shall not be deemed to have assumed any liabilities, obligations or commitments of the Debtor, Memory Care or the Receiver or of any other Person, whether known or unknown, fixed or contingent or otherwise, including any debts, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising out of or resulting from the conduct or operation of the Business or the Debtor's ownership or interest therein, whether pursuant to this Agreement or as a result of the Transaction (collectively, the "**Excluded Liabilities**"). For greater certainty, the Excluded Liabilities shall include, but not be limited to, the following:

- (a) except as otherwise agreed in this Agreement, all Taxes (other than the Development Charges) payable by the Debtor or Memory Care arising with respect to any period prior to the Closing Date and all Taxes payable relating to

any matters or assets other than the Purchased Assets arising with respect to the period from and after the Closing Date;

- (b) any liability, obligation or commitment associated with: (i) the Accounts Payable; or (ii) any employees of the Debtor or Memory Care;
- (c) any liability, obligation or commitment resulting from an Encumbrance that is not a Permitted Encumbrance;
- (d) any liability, obligation or commitment associated with any of the Excluded Assets; and
- (e) any liability, obligation or commitment in respect of any Claims arising from or in relation to any facts, circumstances, obligations, liabilities, covenants, events or occurrences existing, arising or relating to the period prior to the Closing Date.

ARTICLE 4

PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price

Subject to Section 4.6, the purchase price for the Purchased Assets shall be the aggregate of [REDACTED] (the "**Purchase Price**"). For greater certainty, the Purchase Price includes an amount attributable to the pre-payment of the Development Charges.

4.2 Deposit

Within two (2) Business Days after the Acceptance Date, the Purchaser shall pay to the Receiver's Solicitors, in trust, a deposit by wire or certified cheque of [REDACTED] (the "**First Deposit**"). Within three (3) Business Days after the Purchaser delivers the Waiver Notice, the Purchaser shall pay to the Receiver's Solicitors, in trust, an additional deposit by wire or certified cheque of [REDACTED] (the "**Second Deposit**", with the First Deposit and, if applicable, the Second Deposit being collectively defined as the "**Deposit**"). The Deposit shall be held in trust in an interest bearing account, with such interest belonging to the Purchaser and credited in its favour on closing, and otherwise held in accordance with the provisions of this Agreement pending completion or other termination of this Agreement and shall be applied against and towards the Purchase Price due on completion of the Transaction on the Closing Date.

4.3 Satisfaction of Purchase Price

To satisfy the Purchaser's obligation to pay the Purchase Price, on Closing:

- (a) the Deposit shall be applied against the Purchase Price; and
- (b) the balance of the Purchase Price as adjusted in accordance with Section 4.5 (such balance, as so adjusted, the "**Balance**"), shall be paid by wire or certified cheque on Closing by or on behalf of the Purchaser to the Receiver's Solicitors, in trust.

4.4 Allocation of Purchase Price

The Parties, acting reasonably and in good faith, covenant to use commercially reasonable efforts to agree to allocate the Purchase Price among the Purchased Assets in a mutually agreeable manner on or prior to the Closing Time, provided that failure of the Parties to agree upon an allocation shall not result in the termination of this Agreement. In the event the Parties fail to agree upon an allocation, each Party shall be free to make its own reasonable allocation.

4.5 Adjustment of Purchase Price

- (a) The Purchase Price shall be adjusted as of the Closing Time for any realty taxes and local improvement rates and charges (including interest thereon), utilities and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a receivership sale, provided that there shall be no adjustment in respect of the Development Charges, it being acknowledged that the consideration payable by the Purchaser with respect to its acquisition of the benefit of the Development Charges has been incorporated into the determination of the Purchase Price. The Receiver shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval no later than five (5) Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably, and such estimate shall serve as a final determination. Notwithstanding any other term in this Agreement, in no event shall the Purchaser be responsible for any charges, fees, Taxes, costs or other adjustments in any way relating to the period prior to the Closing Date or relating to the Excluded Liabilities or to any matters or assets other than the Purchased Assets for the period from and after the Closing Date.
- (b) It is acknowledged that, rather than coordinating the return of the Security Deposits to the Debtor and requiring the Purchaser to replace the existing Security Deposits by delivering the corresponding sum to the City of Burlington as a security deposit in respect of the development of the Real Property in accordance with the Plans, the Parties have agreed that the Receiver shall assign the benefit of the Security Deposits to the Purchaser on Closing and the Receiver shall receive a credit on the statement of adjustments in an amount equal to the remaining

balance of the Security Deposits being held as of the Closing Date, which adjustment shall fully compensate the Receiver for the assignment to the Purchaser of the Debtor's right, title and interest in and to the Security Deposits.

- (c) As a contribution to the payment by or on behalf of the Purchaser referred to in Section 9.3(f) the Purchaser shall receive a credit on the statement of adjustments in the amount of TEN THOUSAND DOLLARS (\$10,000.00).
- (d) Other than as provided for in this Section 4.5, there shall be no adjustments to the Purchase Price.

4.6 Return of Development Charges

It is acknowledged that the Purchase Price has been agreed to on the expectation that the amount of the Development Charges that have been pre-paid to the applicable Governmental Authorities is ONE MILLION, FIFTY-THREE THOUSAND, EIGHT HUNDRED FIFTEEN DOLLARS AND NINETY-SIX CENTS (\$1,053,815.96) and no portion of such Development Charges will have been returned by any applicable Governmental Authorities prior to Closing. In the event that any portion of such Development Charges are returned by any applicable Governmental Authority on or prior to Closing, the parties hereto hereby acknowledge and agree that the Purchase Price shall be reduced by the amount of the portion of such Development Charges so returned.

ARTICLE 5 TAXES

5.1 Taxes

The Purchaser shall be responsible for all federal and provincial sales taxes, land transfer tax, goods and services, HST and other similar taxes and duties customarily payable by a purchaser and all registration fees payable upon or in connection with the conveyance or transfer of the Purchased Assets to the Purchaser. If the sale of the Purchased Assets is subject to HST, then such tax shall be in addition to the Purchase Price. Notwithstanding the foregoing, the Receiver will not collect HST if the Purchaser provides to the Receiver a warranty that it is registered under the ETA, together with its ETA registration number, a warranty that the Purchaser shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Receiver in respect of any HST payable (the documentation described in this sentence being referred to as the "**HST Documentation**"). The Receiver shall remit any HST collected from the Purchaser to the Receiver General for Canada when and to the extent required by the ETA. The foregoing covenants and warranties shall not merge but shall survive the completion of the Transaction.

ARTICLE 6
ACCESS AND CONFIDENTIALITY

6.1 Confidentiality

Prior to Closing, the Purchaser shall maintain in confidence and not disclose to any Person this Agreement or the terms thereof or any information or documentation relating to the Real Property that has been delivered or made available to the Purchaser by or on behalf of the Receiver, but excluding any such information or documentation that is available to the public generally, (collectively, the "**Confidential Information**"); provided, for the purposes of completing the Transaction (or completing due diligence in respect thereof), Confidential Information may be disclosed to the employees, officers, shareholders, consultants, advisors, representatives, lenders (or prospective lenders) and agents of the Purchaser and to such other Persons who have agreed in writing in favour of the Receiver and Purchaser not to disclose any Confidential Information (collectively, the "**Purchaser Representatives**"). The Purchaser will ensure that each Purchaser Representative treats the Confidential Information as confidential (subject to the proviso above relating to permitted disclosure) prior to Closing and any failure of a Purchaser Representative to do so will be a breach of this Agreement by the Purchaser.

6.2 Authorizations

Upon request, the Receiver shall provide the Purchaser with authorizations executed by the Receiver and addressed to the appropriate municipal building department, zoning department and fire department and to any other Governmental Authority, authorizing the release of any and all information on file in respect of the Purchased Assets, but such authorization shall not authorize any inspections by any Governmental Authority.

6.3 Access to the Real Property

- (a) From the date of this Agreement until Closing, the Purchaser (and its consultants and representatives) shall have access to the Real Property from time to time during normal business hours for the purpose of conducting any visual or other inspections, tests or diligence with respect to the Real Property, provided that such inspections and tests shall not unduly interfere (and the Purchaser undertakes to use its best efforts not to so interfere) with the use, operation and enjoyment of the Real Property by the Receiver.
- (b) The Purchaser covenants and agrees that, if this Agreement is terminated for any reason in accordance with its terms (it being confirmed that the Closing does not constitute a termination of this Agreement), the Purchaser shall: (i) repair any damage to the Real Property caused by the inspections or tests conducted by the Purchaser or its authorized representatives and restore the Real Property to the condition it was in before such investigations or tests were carried out; or (ii) if requested by the Receiver (in lieu of the Purchaser carrying out the repairs and

restoration), pay to the Receiver the reasonable cost of such repair and restoration. If the Purchaser does not perform any required repairs or does not restore the Property to the condition it was in before the investigations and tests were carried out and does not pay the Receiver the reasonable cost thereof, the Receiver shall have the right to perform, or cause to be performed, such work and to obtain reimbursement from the Purchaser for all reasonable costs and expenses incurred by the Receiver in doing so, provided that to the extent the Purchaser fails to reimburse the Receiver the Receiver may deduct the full amount of such reasonable costs incurred from the Deposit otherwise to be returned to the Purchaser in accordance with this Agreement provided that the Receiver shall provide the Purchaser with evidence satisfactory to the Purchaser, acting reasonably, to substantiate the amount of such reasonable costs. This provision shall survive the termination of this Agreement.

- (c) The investigations and tests shall be carried out by the Purchaser or its authorized representatives at the sole cost and expense of the Purchaser and, at the Receiver's option, subject to the Receiver's right to cause a representative of the Receiver to be present while the investigations and tests are being conducted. The Purchaser agrees to indemnify and save the Receiver harmless from any liability, costs, damages or expenses suffered or incurred by the Receiver as a result of any investigations or tests carried out by the Purchaser and its authorized representatives; provided that the Purchaser shall not be required to satisfy any claim by the Receiver under the indemnity contained in this Section 6.3(c) unless and until this Agreement has been terminated for any reason in accordance with its terms. This provision shall survive the Closing or termination of this Agreement.

ARTICLE 7

CLOSING ARRANGEMENTS

7.1 Closing

Closing shall take place at the Closing Time at the offices of the Receiver's lawyers, Bennett Jones LLP, located in Toronto, Ontario, or at such other time or at such other place as the Parties may agree in writing.

7.2 Tender and Escrow

- (a) Any tender of documents or money under this Agreement shall be made upon the Parties' respective lawyers (with money being tendered by wire transfer of immediately available funds to the Receiver's Solicitors' trust account), in each case in accordance with the escrow provisions referred to in Section 7.2(b) below.

- (b) All deliverables required to be made on Closing pursuant to Section 7.3 (other than the Receiver's Certificate) shall be delivered to the Purchaser's Solicitors and all deliverables required to be made on Closing pursuant to Section 7.4 shall be delivered to the Receiver's Solicitors, in each case, in escrow. Such escrow shall provide that, upon such solicitors confirming to each other that their respective clients are ready to Close (including confirmation from the Receiver's Solicitors that it is in possession of the Receiver's Certificate), the Receiver's Solicitors shall forthwith deliver the Receiver's Certificate to the Purchaser's Solicitors and, upon receipt of the Receiver's Certificate by the Purchaser's Solicitors, all such deliverables shall be automatically released from escrow and the Purchaser's Solicitors shall be entitled to submit for registration on title to the Real Property an Application for Vesting Order in respect of the Approval and Vesting Order and the Receiver's Certificate.

7.3 Receiver's Closing Deliverables

The Receiver covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date as expressly provided herein:

- (a) a copy of the issued and entered Approval and Vesting Order and the Receiver's Certificate;
- (b) an assignment of the Debtor's right, title and interest in, to and under the Site Plan Agreement in favour of the Purchaser;
- (c) a statement of adjustments prepared in accordance with Section 4.5 herein, to be delivered not less than five (5) Business Days prior to Closing;
- (d) such documents as are required by any Governmental Authority (or reasonably requested by the Purchaser) to fully transfer (or apply for the transfer of) all Permits to the Purchaser, executed by each required transferor/applicant;
- (e) without derogating from 7.3(d), in respect of any Permits that are not assignable, an agreement that the Receiver will hold same in trust for the Purchaser in accordance with the provisions of Section 3.1(c) herein;
- (f) a certificate signed by a senior officer of the Receiver confirming that the Receiver is not a non-resident of Canada within the meaning of section 116 of the ITA and that, to the best of the Receiver's knowledge, the Debtor is not a non-resident of Canada within the meaning of the said section 116;
- (g) a notice and direction addressed to the City of Burlington, the Regional Municipality of Halton, the Halton District School Board and all other applicable Governmental Authorities notifying them that the Lands and all right, title and

interest in and to the Development Charges have been vested in the name of the Purchaser pursuant to the Approval and Vesting Order;

- (h) a notice and direction addressed to the City of Burlington and all other applicable Governmental Authorities notifying them that the Lands and all right, title and interest in and to the Security Deposits have been vested in the name of the Purchaser pursuant to the Approval and Vesting Order;
- (i) a certificate from the Receiver, dated as of the Closing Date, certifying:
 - (i) that, except as disclosed in the certificate, the Receiver has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction, and that, to the best of the Receiver's knowledge and belief, the Approval and Vesting Order has not been stayed, varied in any material respect, set aside or appealed (other than any appeal that has been dismissed with no further right of appeal therefrom); and
 - (ii) that all representations, warranties and covenants of the Receiver contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time;
- (j) an acknowledgement, dated as of the Closing Date, that each of the conditions in Section 9.1 herein have been fulfilled, performed or waived as of the Closing Time; and
- (k) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Purchaser, acting reasonably, or by Applicable Law or any Governmental Authority.

All of the above documentation to be in form and substance acceptable to the Receiver and the Purchaser, and their respective solicitors, each acting reasonably and in good faith.

7.4 Purchaser's Closing Deliverables

The Purchaser covenants to execute, where applicable, and deliver the following to the Receiver at Closing or on such other date as expressly provided herein:

- (a) the payment of the Balance in accordance with Section 4.3(b);
- (b) an assignment of the Debtor's right, title and interest in, to and under the Site Plan Agreement in favour of the Purchaser;

- (c) a certificate from the Purchaser, dated as of the Closing Date, certifying that all representations and warranties of the Purchaser contained in Article 11 herein are true as of the Closing Time, with the same effect as though made on and as of the Closing Time;
- (d) either: (i) payment of the HST payable as a result of the Transaction; or (ii) the HST Documentation;
- (e) if elected by the Purchaser, a direction directing the Receiver to convey title to any of the Purchased Assets to an entity other than the Purchaser; and
- (f) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Receiver, acting reasonably, or by Applicable Law or any Governmental Authority.

All of the above documentation to be in form and substance acceptable to the Receiver and the Purchaser, and their respective solicitors, each acting reasonably and in good faith.

7.5 Receiver's Certificate

On or prior to the Closing Date, the Receiver shall deliver the executed Receiver's Certificate to the Receiver's Solicitors and the Receiver's Solicitors shall confirm its receipt to the Purchaser's Solicitors. Upon:

- (a) receipt of written confirmation from the Purchaser's Solicitors (on behalf of the Purchaser) that all of the conditions contained in Section 9.3 herein have, subject to the escrow arrangements referred to in Section 7.2(b), been satisfied or waived by the Purchaser; and
- (b) all of the conditions contained in Section 9.1 herein being satisfied or waived by the Receiver, subject to the escrow arrangements referred to in Section 7.2(b),

the Receiver shall: (i) cause the Receiver's Solicitors to forthwith deliver the Receiver's Certificate to the Purchaser's Solicitors; and (ii) file same with the Court. For greater certainty, the Closing shall have occurred upon the delivery of the Receiver's Certificate to the Purchaser's Solicitors as aforesaid. This Section shall survive the Closing.

ARTICLE 8

PURCHASER'S DUE DILIGENCE CONDITION

8.1 Purchaser's Due Diligence Condition

Notwithstanding any other provision contained in this Agreement, the Purchaser shall have until 5:00 p.m. on the first Business Day which is thirty (30) days after the Acceptance Date (the

"Purchaser's Conditional Period") to satisfy itself, in its sole, absolute and subjective discretion with all aspects of the Real Property, the Purchased Assets, the Transaction and any other matters that the Purchaser deems necessary or desirable, in its sole and absolute discretion (the "**Due Diligence**"), which Due Diligence may include, without limitation (a) the results of its tests and other due diligence of the Real Property, and (b) that the development feasibility of the Property meets the development objectives of the Purchaser. The obligation of the Purchaser to complete the Transaction pursuant to this Agreement is subject to the condition that the Purchaser is satisfied with the Due Diligence in its sole and absolute discretion prior to the expiry of the Purchaser's Conditional Period (the "**Due Diligence Condition**"). The Purchaser shall be deemed not to be satisfied with the results of its Due Diligence unless it delivers to the Receiver prior to the expiry of the Purchaser's Conditional Period a written notice explicitly waiving the Due Diligence Condition (the "**Waiver Notice**"). If: (i) the Purchaser fails to deliver the Waiver Notice prior to the expiry of the Purchaser's Conditional Period; or (ii) at any time prior to the expiry of the Purchaser's Conditional Period the Purchaser delivers a written notice electing to terminate this Agreement as a result of not being satisfied with the results of its Due Diligence, this Agreement shall be automatically (and without further notice or action by the Purchaser) terminated and at an end, the parties hereto shall be released from all obligations and liabilities hereunder (other than their obligations hereunder which explicitly survive the termination of this Agreement) and the First Deposit plus interest shall be forthwith returned to the Purchaser without deduction or set-off. The Due Diligence Condition is inserted for the sole benefit of the Purchaser and may be waived in whole or in part at its sole option.

ARTICLE 9

CONDITIONS PRECEDENT TO CLOSING

9.1 Conditions in Favour of the Receiver

The obligation of the Receiver to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (a) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (b) all the covenants of the Purchaser contained in Article 11 to be performed on or before the Closing Date shall have been duly performed by the Purchaser;
- (c) there shall be no order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets enjoining, preventing or restraining the completion of the Transaction; and
- (d) the Court shall have issued the Approval and Vesting Order.

9.2 Conditions in Favour of Receiver Not Fulfilled

If any of the conditions contained in Section 9.1 herein is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Receiver, then the Receiver may, at its sole discretion (other than as stipulated below), and without limiting any rights or remedies available to it at law or in equity:

- (a) terminate this Agreement by notice to the Purchaser, in which event the Receiver shall be released from its obligations under this Agreement to complete the Transaction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

9.3 Conditions in Favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date, which conditions are inserted for the sole benefit of the Purchaser and may be waived in whole or in part at the Purchaser's sole option:

- (a) all the representations and warranties of the Receiver contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (b) all the covenants of the Receiver under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Receiver;
- (c) there shall be no order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets enjoining, preventing or restraining the completion of the Transaction;
- (d) from the Due Diligence Date to Closing, there shall have been no new work orders, deficiency notices, notices of violation or non-compliance or similar orders, and no new Encumbrances registered on title to the Lands or matters affecting the title to the Lands arising or registered after the Acceptance Date, in each case which are not otherwise vested-out pursuant to the Approval and Vesting Order;
- (e) from the Due Diligence Date to Closing, there shall not have been any emission, release, discharge, disposal, or other deposit of a hazardous substance occurring on or which has migrated onto the Lands which has a material adverse effect on the Lands, and there shall not have been any material adverse change in the condition or operation;

- (f) on or before the Closing Date, the Project Plans and the Architect Authorization shall have been delivered to the Purchaser's Solicitors in escrow (and on Closing the Purchaser's Solicitors shall be holding same in escrow), with the sole condition to the release thereof being the payment on or after Closing to API Development Consultants Inc. or the Original Architect (or as either of them otherwise direct) of THIRTY-ONE THOUSAND, TWO HUNDRED TWENTY DOLLARS AND SIXTY SEVEN CENTS (\$31,220.67);
- (g) on or before the Closing Date, the City of Burlington shall have delivered written confirmation (which may be in the form of an email) to the Purchaser advising that it has no intention of revoking any of the Permits during the six (6) month period commencing on the date of such confirmation and such confirmation shall have not been revoked or altered prior to Closing; and
- (h) the Court shall have issued the Approval and Vesting Order which, on Closing, shall not have been stayed, varied in any material respect, set aside or appealed (other than any appeal that has been dismissed with no further right of appeal therefrom).

9.4 Conditions in Favour of Purchaser Not Fulfilled

If any of the conditions contained in Section 9.3 herein is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, then the Purchaser may, in its sole discretion and without limiting its rights or remedies available at law or in equity:

- (a) terminate this Agreement by notice to the Receiver, in which event the Purchaser and the Receiver shall be released from their obligations under this Agreement to complete the Transaction and the Deposit and all interest accrued thereon shall be immediately returned to the Purchaser without deduction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

9.5 Extension of Outside Date to Satisfy Certain Conditions

If the condition set out in Section 9.3(h) has not been satisfied by the day that is five (5) Business Days prior to the Outside Date, the Receiver shall have the right, by delivering notice to the Purchaser prior to the Outside Date, to extend the Outside Date to a date on or prior to November 30, 2018 provided that the City of Burlington shall have delivered written confirmation (which may be in the form of an email) to the Purchaser advising that it has no intention of revoking any of the Permits prior to a date which is at least ninety (90) days after the extended Outside Date. Notwithstanding the foregoing, the Receiver shall not be entitled to extend the Outside Date pursuant to this Section 9.5 unless all of the conditions in favour of the Purchaser contained in

Section 9.3 (other than the condition set out in Section 9.3(h)) have been satisfied or waived (or would have been satisfied or waived on the Closing Date based on the then-existing circumstances). For greater certainty, in no event shall the Receiver be entitled to extend the Outside Date beyond November 30, 2018.

ARTICLE 10
REPRESENTATIONS & WARRANTIES OF THE RECEIVER

The Receiver represents and warrants to the Purchaser as follows, with the knowledge and expectation that the Purchaser is placing complete reliance thereon and, but for such representations and warranties, the Purchaser would not have entered into this Agreement:

- (a) the Receiver has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of the Receiver, subject to the Approval and Vesting Order. This Agreement is a valid and binding obligation of the Receiver enforceable in accordance with its terms;
- (b) the Receiver has been duly appointed as the receiver of the Real Property by the Receivership Order and such Receivership Order is in full force and effect and has not been stayed, and the Receiver has the full right, power and authority to enter into this Agreement, perform its obligations hereunder and convey all right, title and interest of the Receiver and the Debtor in and to the Purchased Assets;
- (c) the Receiver is not a non-resident of Canada for the purposes of the ITA; and
- (d) subject to any charges created by the Receivership Order, the Receiver has done no act itself to encumber or dispose of the Purchased Assets and is not aware of any action or process pending or threatened against the Debtor that may affect its ability to convey any of the Purchased Assets as contemplated herein.

ARTICLE 11
REPRESENTATIONS & WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Receiver as follows, with the knowledge and expectation that the Receiver is placing complete reliance thereon and, but for such representations and warranties, the Receiver would not have entered into this Agreement:

- (a) the Purchaser is a corporation duly formed and validly subsisting under the laws of the Province of Ontario;
- (b) the Purchaser has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. Neither the execution of

this Agreement nor the performance by the Purchaser of the Transaction will violate the Purchaser's constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Governmental Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;

- (c) the Purchaser is or will be a registrant under Part IX of the ETA on the Closing Date; and
- (d) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

ARTICLE 12 **COVENANTS**

12.1 Mutual Covenants

Each of the Receiver and the Purchaser hereby covenants and agrees that, from the expiry of the Purchaser's Conditional Period (but not before) until Closing, each shall take all such actions as are necessary to have the Court issue the Approval and Vesting Order approving the Transaction on substantially the same terms and conditions as are contained in this Agreement, and to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions set forth in Article 9 hereof, provided that neither party shall be required to pay amount amounts to API Development Consultants Inc. or the Original Architect other than amounts explicitly set forth in this Agreement.

12.2 Receiver Covenants

The Receiver hereby covenants and agrees that, from the date hereof until Closing, it shall use commercially reasonable efforts to provide to the Purchaser all necessary information in respect of the Debtor, Memory Care and the Purchased Assets reasonably required to complete the applicable tax elections in accordance with Article 5 hereof and to execute all necessary forms related thereto. The Receiver hereby covenants and agrees that it shall take all such actions as are necessary to have the Court add Memory Care as a debtor under the receivership originally established pursuant to the Receivership Order.

The Receiver hereby covenants and agrees that, from the date hereof until Closing: (i) it shall not take any steps or actions to cause or permit and shall use commercially reasonable efforts (which may include making recommendations to the Court) to prevent any Person from seeking to cause or permit the cancellation or revocation of any Permits, the return of any Development Charges and/or the return of any Security Deposits; and (ii) it shall forthwith notify the Purchaser upon becoming aware of any such cancellation, revocation or return (or steps or actions taken by any Person to cause or permit any such cancellation, revocation or return).

ARTICLE 13
POSSESSION AND ACCESS PRIOR TO CLOSING

13.1 Possession of Purchased Assets

The Receiver shall remain in possession of the Purchased Assets until Closing, at which time the Purchaser shall take possession of the Purchased Assets where situated. In no event shall the Purchased Assets be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in this Agreement and the Approval and Vesting Order have been satisfied or waived.

13.2 Risk

- (a) The Purchased Assets shall be and remain at the risk of the Receiver until Closing and at the risk of the Purchaser from and after Closing.
- (b) If, prior to Closing, the Purchased Assets are substantially damaged or destroyed by fire, casualty or otherwise, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within fifteen (15) calendar days after notification by either the Receiver or the Purchaser to the other, as applicable, of the occurrence of such damage or destruction, in which event this Agreement shall be terminated automatically (and the Deposit and all interest earned thereon shall be returned to the Purchaser). If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction and to a payment in the amount of any such proceeds of insurance that were paid prior to Closing. In the event that the Purchaser receives or delivers, as the case may be, the notification of the damage or destruction less than fifteen (15) calendar days prior to the scheduled Closing Date, the Closing Date shall be extended to the first Business Day that is at least fifteen (15) calendar days following such notification. Where any damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction and to a payment in the amount of any such proceeds of insurance that were paid prior to Closing. For the purposes of this Section 13.2(b), substantial damage or destruction shall be deemed to have occurred if the loss or damage to the

Purchased Assets exceeds fifteen percent (15%) of the total Purchase Price (inclusive of the Deposit).

- (c) If, prior to the Closing Date, all or a material part of the Lands is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Lands is issued by any Governmental Authority, the Receiver shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three (3) Business Days after the Purchaser receives Notice in writing from the Receiver of such expropriation (or notice of expropriation or intent to expropriate), elect to either: (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be payable to the Purchaser and all right, title and interest of the Receiver or Debtor to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights and obligations of the Receiver and the Purchaser (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and the Deposit (with all accrued interest) shall be returned to the Purchaser forthwith. In the event that the Purchaser receives the notification from the Receiver less than three (3) Business Days prior to the scheduled Closing Date, the Closing Date shall be extended to the date that is three (3) Business Days following the receipt of such notification.

ARTICLE 14 **AS IS, WHERE IS**

14.1 Condition of the Purchased Assets

The Purchaser acknowledges that the Receiver is selling and the Purchaser is purchasing the Purchased Assets on an "*as is, where is*" and "*without recourse*" basis as the Purchased Assets shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that neither the Receiver nor the Debtor has guaranteed or will guarantee title to or marketability, use or quality of the Purchased Assets, that the Purchaser will conduct such inspections of the condition and title to the Purchased Assets as it deems appropriate and will satisfy itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, environmental compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Receiver to sell, assign, convey or transfer same, save and except as expressly provided in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act*, R.S.O. 1990, c. S.1, do not apply hereto and/or have

been waived by the Purchaser. The description of the Purchased Assets contained in this Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given by the Receiver concerning the accuracy of such description.

ARTICLE 15

POST-CLOSING MATTERS

15.1 Books and Records

The Purchaser shall keep and maintain the Books and Records for a period of two (2) years from the Closing Date, or for any longer period as may be required by Applicable Law or Governmental Authority or as requested by the Receiver. Upon reasonable advance notice, during such two (2) year period after the Closing Date, the Purchaser will grant the Receiver and the Debtor and, in the event the Debtor is adjudged bankrupt, any trustee of the estate of the Debtor and their respective representatives, reasonable access during normal business hours to use and copy the Books and Records at the sole cost of the Receiver or bankruptcy trustee of the estate of the Debtor, as the case may be, and at no cost to the Purchaser.

ARTICLE 16

TERMINATION

16.1 Termination of this Agreement

This Agreement may be validly terminated:

- (a) upon the mutual written agreement of the Parties;
- (b) pursuant to Section 9.2 herein by the Receiver;
- (c) pursuant to Section 9.4 herein by the Purchaser; or
- (d) pursuant to Section 13.2 herein.

16.2 Remedies for Breach of Agreement

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Receiver, the Purchaser shall be entitled to the return of the Deposit together with interest without deduction, which shall be returned to the Purchaser forthwith, and this shall be the Purchaser's sole right and remedy pursuant to this Agreement or at law as a result of the Receiver's breach. If this Agreement is terminated as a result of a breach of a representation, warranty, covenant or obligation of the Purchaser, the Deposit shall be forfeited to the Receiver as liquidated damages and not as a penalty, which Deposit the Parties agree is a genuine estimate of the liquidated damages that the Receiver would suffer in such circumstances, and this shall be

the Receiver's sole right and remedy pursuant to this Agreement or at law as a result of the Purchaser's breach.

16.3 Termination If No Breach of Agreement

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then the parties hereto shall be released from all obligations and liabilities hereunder, other than their obligations under Article 6, and the Deposit shall be forthwith returned to the Purchaser without deduction.:

- (a) all obligations of each of the Receiver and the Purchaser hereunder shall end completely, except those that survive the termination of this Agreement;
- (b) the Purchaser shall be entitled to the return of the Deposit without deduction, which shall be returned to the Purchaser forthwith; and
- (c) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy (legal or equitable) or relief other than as expressly provided herein.

ARTICLE 17

GENERAL CONTRACT PROVISIONS

17.1 Further Assurances

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof, including, at the Purchaser's request and expense, the Receiver shall execute and deliver such additional conveyances, transfers and other assurances as may, in the opinion of the Parties or their counsel, acting reasonably, be reasonably required to effectually carry out the intent of this Agreement and transfer the Purchased Assets to the Purchaser.

17.2 Survival Following Completion

Notwithstanding any other provision of this Agreement, Article 10, Article 11, Section 16.2 and Section 16.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of the Receiver, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof.

17.3 Notice

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (each, a "Notice") shall be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by email, addressed to the Party to whom it is given, as follows:

(a) to the Receiver:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: Robert Kofman and Noah Goldstein
Tel: (416) 932-6228 / (416) 932-6207
Email: bkofman@ksvadvisory.com / ngoldstein@ksvadvisory.com

and a copy to the Receiver's counsel to:

Bennett Jones LLP
3400 One First Canadian Place
Toronto, ON M5X 1A5

Attention: Sean Zweig and John van Gent
Tel: (416) 777-6254 / (416) 777-6522
Email: zweigs@bennettjones.com / vangentj@bennettjones.com

(b) to the Purchaser:

c/o Rob Thompson
Box 310
Ripley, ON

Attention: Rob Thompson
Tel: (519) 525-9116
Email: royaloakcreek@gmail.com

and a copy to the Purchaser's counsel to:

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON M5V 3J7

Attention: David G. Reiner

Tel: (416) 367-7478
Email: dreiner@dwpv.com

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the third (3rd) Business Day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by email will be deemed given and received on the day that it is transmitted, provided it is given prior to 5:00 p.m. on a Business Day. Any Notice transmitted by email will be deemed given and received on the first (1st) Business Day after it is transmitted if it is transmitted after 5:00 p.m. on a Business Day or at any time on a day that is not a Business Day.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth (4th) Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email.

17.4 Waiver

No Party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstance set forth in such written waiver.

17.5 Consent

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit or the requirement for such consent is not required pursuant to the terms of the Approval and Vesting Order, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

17.6 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario sitting in Toronto. The Parties consent to the exclusive jurisdiction and venue of the Court for the resolution of any disputes among them, regardless of whether or not such disputes arose under this Agreement.

17.7 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties. There are not and will not be any verbal statements, representations, warranties, undertakings or agreements between the Parties. This

Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. The recitals herein are true and accurate, both in substance and in fact.

17.8 Time of the Essence

Time will be of the essence, provided that if the Parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

17.9 Time Periods

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

17.10 Assignment

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser may not assign this Agreement without the Receiver's prior written approval, which approval shall be in the Receiver's sole, absolute and unfettered discretion. Notwithstanding the foregoing, up until closing, the Purchaser shall have the right to direct that title to the Lands be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated) that is an affiliate of the Purchaser, provided that the Purchaser shall not be released from any and all obligations and liabilities hereunder until after the Closing of the transaction. The foregoing right may only be exercised once by the Purchaser. Any other requested direction of title shall require the Receiver's prior written approval, which approval shall be in the Receiver's sole, absolute and unfettered discretion.

17.11 Expenses

Except as otherwise set out in this Agreement, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

17.12 Severability

If any portion of this Agreement is prohibited in whole or in part in any jurisdiction, such portion shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining portions of this Agreement and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.

17.13 No Strict Construction

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

17.14 Cumulative Remedies

Unless otherwise expressly stated in this Agreement, no remedy conferred upon or reserved to one or both of the Parties is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

17.15 Currency

All references to dollar amounts contained in this Agreement shall be deemed to refer to lawful currency of Canada.

17.16 Receiver's Capacity

It is acknowledged by the Purchaser that the Receiver is entering into this Agreement solely in its capacity as Court-appointed receiver of the Property and that the Receiver shall have absolutely no personal or corporate liability under or as a result of this Agreement in any respect.

17.17 Planning Act

This Agreement is to be effective only if the provisions of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, are complied with.

17.18 No Third Party Beneficiaries

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. No other person or entity shall be regarded as a third party beneficiary of this Agreement.

17.19 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

17.20 Counterparts

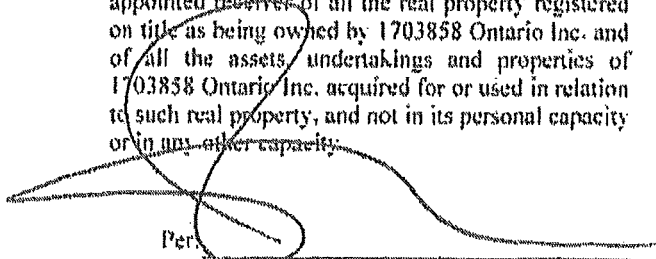
This Agreement may be executed in counterparts and by facsimile or PDF, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS.]

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IN WITNESS WHEREOF the Receiver has duly executed this Agreement as of the date first above written.

KSV KOFMAN INC., in its capacity as court-appointed receiver of all the real property registered on title as being owned by 1703858 Ontario Inc. and of all the assets, undertakings and properties of 1703858 Ontario Inc. acquired for or used in relation to such real property, and not in its personal capacity or in any other capacity.



Per: _____

Name: Robert Kofman

Title: President and Managing Director

ACCEPTED by the Purchaser this 23rd day of July, 2018

2642988 ONTARIO INC.

Per: _____

Name: ROBERT J THOMPSON
Title: Authorized Signing Officer

SCHEDULE A
APPROVAL AND VESTING ORDER

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)
JUSTICE)
)
) OF 2018

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., 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

APPROVAL AND VESTING 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 1703858 Ontario Inc. (the "Debtor") and Memory Care Investments (Burlington) Ltd. ("Memory Care") for an order, *inter alia*, approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale between the Receiver, as vendor, and 2642988 Ontario Inc. (the "Purchaser"), as purchaser, dated July 23, 2018 (the "Sale Agreement"), a copy of which is attached as Confidential Appendix " " to the

Report of the Receiver dated [REDACTED], 2018 (the "[REDACTED] Report"), and vesting in the Purchaser, or as it may direct in accordance with the Sale Agreement, all the Receiver's, Memory Care's and the Debtor's right, title and interest in and to the property described as the "Purchased Assets" in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the [REDACTED] Report and 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 [REDACTED] sworn [REDACTED], 2018, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver 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 the Purchaser, or as it may direct.
2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all the Receiver's, Memory Care's and the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement, including without limitation the subject real property identified in **Schedule "B"** hereto (the "**Real Property**"), the

cash deposits described in **Schedule "E"** hereto and the development charges and other payments described in **Schedule "F"** hereto, shall vest absolutely in the Purchaser, or as it may direct, 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, leases, notices of lease, subleases, licences, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute or contingent), obligations, 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 Mr. Justice Myers dated May 2, 2017; (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; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders and declares that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchaser.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby

directed to enter the Purchaser, or as it may direct, as the owner of the subject real property identified in **Schedule "B"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

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 Receiver'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 Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **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 the Debtor or Memory Care and any bankruptcy order issued pursuant to any such applications; and

any assignment in bankruptcy made in respect of the Debtor and/or Memory Care,

the vesting of the Purchased Assets in the Purchaser, or as it may direct, pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and/or Memory Care and shall not be void or voidable by creditors of the Debtor and/or Memory Care, 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.

7. **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 the Receiver and its 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 the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

SCHEDULE "A"
FORM OF RECEIVER'S CERTIFICATE

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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., 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

RECEIVER'S CERTIFICATE

RECITALS

I. Pursuant to an Order of the Honourable Mr. Justice Myers of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated May 2, 2017, KSV Kofman Inc. was appointed as receiver (in such capacity, the "**Receiver**"), without security, of all the real property registered on title as being owned by 1703858 Ontario Inc. (the "**Debtor**") (collectively, the "**Lands**") and of all the assets, undertakings and properties of the Debtor acquired for or used in relation to the Lands (the "**Property**"). [Note to Draft: Insert reference to addition of Memory Care.]

II. Pursuant to an Order of the Court dated [REDACTED], 2018, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and 2642988 Ontario Inc. (the "**Purchaser**"), as purchaser, dated July 23, 2018 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser, or as it may direct in accordance with the Sale Agreement, of all the Receiver's, Memory Care's and the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Receiver.

IV. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The transaction has been completed to the satisfaction of the Receiver; and

4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV KOFMAN INC., in its capacity as court-appointed receiver of all the real property registered on title as being owned by 1703858 Ontario Inc. and of all the assets, undertakings and properties of 1703858 Ontario Inc. and Memory Care Investments (Burlington) Ltd. acquired for or used in relation to such real property, and not in its personal capacity or in any other capacity

Per:

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

PIN 07074-0452 (LT)

2168 and 2174 Ghent Avenue, Burlington, Ontario

PT LT 6, PL 125, AS IN 641723 & PT LT 6, PL 125, AS IN 205910; CITY OF BURLINGTON

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM PIN NO. 22507-0109 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
HR1100779	2013/05/17	Charge	\$5,500,000	1703858 Ontario Limited	2223947 Ontario Limited
HR1100786	2013/05/17	Transfer of Charge (re: HR1100779)	N/A	2223947 Ontario Limited	Olympia Trust Company and 2223947 Ontario Limited
HR1103691	2013/05/30	Transfer of Charge (re: HR1100779)	N/A	2223947 Ontario Limited	Olympia Trust Company and 2223947 Ontario Limited
HR1223442	2014/10/28	Transfer of Charge (re: HR1100779)	N/A	Olympia Trust Company	Olympia Trust Company
HR1267660	2015/05/22	Notice (re: HR1100779)	N/A	1703858 Ontario Ltd.	2223947 Ontario Limited and Olympia Trust Company
HR1267674	2015/05/22	Transfer of Charge (re: HR1100779, HR1100786, HR1103691, HR1223442 and HR1267660)	N/A	2223947 Ontario Limited	2223947 Ontario Limited and Olympia Trust Company
HR1280794	2015/07/09	Notice (re: HR1100779)	Notice	1703858 Ontario Ltd.	2223947 Ontario Limited and Olympia Trust Company
HR1407613	2016/11/03	Application Court Order	N/A	Ontario Superior Court of Justice	Grant Thornton
HR1418886	2016/12/16	Construction Lien	\$787,000	Varcon Construction Corporation	

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
HR1418917	2016/12/16	Construction Lien	\$91,477	Limen Group Const. Ltd.	
HR1429307	2017/02/01	Certificate (re: HR1418917)	N/A	Limen Group Const. Ltd.	
HR1429371	2017/02/01	Certificate (re: HR1418886)	N/A	Varcon Construction Corporation	
HR1451534	2017/05/03	Application Court Order	N/A	Ontario Superior Court of Justice	KSV Kofman Inc.
HR1452512	2017/05/05	Charge	\$1,775,000	1703858 Ontario Ltd.	Marshallzehr Group Inc.
HR1547769	2018/06/07	Notice (re: HR1452512)	Notice	1703858 Ontario Ltd.	Marshallzehr Group Inc.

SCHEDULE "D"
PERMITTED ENCUMBRANCES

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
HR1190741	2014/06/23	Notice	N/A	The Corporation of the City of Burlington	

SCHEDULE "E"
SECURITY DEPOSITS

Site Plan Securities

2170 Ghent Avenue
File No: 535-014/13

#	Description	Original Security Deposit	Balance Remaining as of the date of the Sale Agreement
	Cash Security – Letter of Intent	\$5,000.00	\$5,000.00
14	Tree Security (Curb Bond and Mud Bond)	\$4,125.00	\$4,125.00
17	Completion of Works on Public Road Allowance Security	\$10,000.00	\$8,382.14
19	Landscaping Security	\$52,000.00	\$49,885.08
20	<u>Site Work Security (including \$20,000 for works with ROW)</u>	<u>\$214,000.00</u>	<u>\$209,202.84</u>
24	Total Securities	\$285,125.00	\$276,959.06

SCHEDULE "F"
DEVELOPMENT CHARGES, ETC.

The following payments made by or on behalf of the Debtor and/or Memory Care to the Corporation of the City of Burlington and/or the Regional Municipality of Halton in connection with the Site Plan Approval and/or Site Plan Agreement: (i) the \$154,118.00 paid to the Corporation of the City of Burlington in respect of development charges; (ii) the \$504,065.96 paid to the Corporation of the City of Burlington for the Regional Municipality of Halton; (iii) the \$76,632.00 paid to the Corporation of the City of Burlington in respect of education charges (School Board); and (iv) the \$319,000.00 paid to the Corporation of the City of Burlington in respect of park dedication.

SCHEDULE B
PERMITTED ENCUMBRANCES

PART I: GENERAL PERMITTED ENCUMBRANCES

1. Any inchoate lien accrued but not yet due and payable for provincial taxes, municipal taxes, charges, rates or assessments, school rates or water rates to the extent adjusted for under this Agreement;
2. Any municipal by-laws or regulations affecting the Land or its use and any other municipal land use instruments including without limitation, official plans and zoning and building by-laws, as well as decisions of the Committee of Adjustment or any other competent authority permitting variances therefrom, and all applicable building codes;
3. Registered agreements with any municipal, provincial or federal governments or authorities and any public utilities or private suppliers of services, including without limitation, subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements; provided same have been complied with or security has been posted to ensure compliance and completion as evidenced by a letter from the relevant Governmental Authority or regulated utility and such agreement are registered as of the expiry of the Purchaser's Conditional Period;
4. Any unregistered easement, right-of-way, agreements or other unregistered interest of claims not disclosed by registered title provided same does not materially impact the Purchaser's intended use of the Property;
5. Any encroachments or other discrepancies that might be revealed by an up-to-date plan of survey of the Property;
6. Such other minor encumbrances or defects in title which do not, individually or in the aggregate, materially affect the use, enjoyment or value of the Lands or any part thereof, or materially impair the value of the Real Property, or
7. Any reservations, limitations, provisos and conditions expressed in the original grant from the Crown as the same may be varied by statute; and
8. The following exceptions and qualifications contained in Section 44(1) of the Land Titles Act: paragraphs 7, 8, 9, 10, 12 and 14.

PART II: SPECIFIC PERMITTED ENCUMBRANCES

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
HR1190741	2014/06/23	Notice	N/A	The Corporation of the City of Burlington	

**SCHEDULE C
LEGAL DESCRIPTION OF LANDS**

PIN 07074-0452 (LT)

2168 and 2174 Ghent Avenue, Burlington, Ontario

PT LT 6, PL 125, AS IN 641723 & PT LT 6, PL 125, AS IN 205910; CITY OF BURLINGTON

**SCHEDULE D
PROJECT PLANS**

List of Drawings

ARCHITECTURAL:

A000 PROJECT COVER SHEET
A001 DRAWING LIST, WALL ASSEMBLIES, GENERAL, NOTES, LEGENDS AND SYMBOLS

A100 CODE MATRIX AND BUILDING CODE STUDY

A200 SITE PLAN
A201 SURVEY

A250 LEVEL 1 (GROUND) CORE AND STRUCTURAL LAYOUT
A251 LEVEL 2 CORE AND STRUCTURAL LAYOUT
A252 LEVEL 3 CORE AND STRUCTURAL LAYOUT
A253 LEVEL 4 CORE AND STRUCTURAL LAYOUT
A254 LEVEL 5 (ROOF) CORE AND STRUCTURAL LAYOUT

A300 LEVEL 0 (BASEMENT) FLOOR / FOUNDATION PLAN
A301 LEVEL 1 (GROUND) FLOOR PLAN
A302 LEVEL 2 FLOOR PLAN
A303 LEVEL 3 FLOOR PLAN
A304 LEVEL 4 FLOOR PLAN
A305 MAIN ROOF & HIGH ROOF (LEVEL 5) PLAN

A320 BASEMENT & GROUND FLOOR REFLECTED CEILING PLANS
A321 2ND FLOOR REFLECTED CEILING PLAN
A322 3RD FLOOR REFLECTED CEILING PLAN
A323 4TH FLOOR REFLECTED CEILING PLAN

A330 FIRE RATINGS FOR LEVELS 0, 1, 2, 3, 4, 5

A350 SUITE FLOOR PLANS
A351 SUITE FLOOR PLANS
A352 ENLARGED FLOOR PLANS

A400 ELEVATIONS
A401 ELEVATIONS

A500 ELEVATOR PLANS & SECTIONS
A501 STAIR ST1 PLANS & SECTIONS
A502 STAIR ST2 PLANS & SECTIONS & STAIR DETAILS

A600 BUILDING SECTIONS
A601 BUILDING SECTIONS

A620 WALL SECTIONS
A621 WALL SECTIONS
A622 WALL SECTIONS

A670 SECTION DETAILS
A671 SECTION DETAILS & PLAN DETAILS

A901 DOOR SCHED, DOOR TYPES, FRAME TYPES & DETAILS

INTERIOR DESIGN:

ID1.0
ID1.1
ID1.2
ID2.0
ID3.0
ID4.0
ID5.0
ID6.0
ID7.0

STRUCTURAL:

S1.0
S1.1
S1.2
S1.3
S2.0
S2.1
S2.2
S2.3
S2.4
S2.5

MECHANICAL:

M-00
M-01
M-02
M-03

M-04
M-05
M-06
M-07

ELECTRICAL:

E-00
E-02
E-03
E-04
E-05
E-06
E-07

CIVIL:

X-00
X-01
X-02
X-03
X-04
X-05

LANDSCAPE:

L-00
L-01
L-02
L-03
L-04
L-05

In the case of each of the above drawings, both the "Issued For Construction" (IFC) and "building permit" (stamped by the City of Burlington) versions thereof.

Appendix “C”

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

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

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

**AFFIDAVIT OF ROBERT KOFMAN
(Sworn September 10, 2018)**

I, Robert Kofman, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President of KSV Kofman Inc. ("KSV").
2. Pursuant to an order (the "Receivership Order") of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on April 28, 2017, KSV was appointed as the receiver and manager ("Receiver") of the real property ("Real Property") registered on title as being owned by 1703858 Ontario Inc. (the "Company") and of all of the Company's assets, undertakings and properties acquired for or used in relation to the Real Property. The order was amended on May 2, 2017 to address certain clerical errors.
3. I have had overall responsibility for this mandate since the date of the Receivership Order. As such, I have knowledge of the matters to which I hereinafter depose.

4. On September 10, 2018, the Receiver finalized its Thirteenth Report to Court in which it provided a summary of the Receiver's fees and those of its legal counsel for the Company for the period commencing April 28, 2017 to July 31, 2018.

5. The Receiver and its counsel have allocated the fees to a specific project when their activities relate to a specific project. However, a significant portion of the activities performed by the Receiver and its counsel are of a general nature, and are not specifically allocable to a project, including time related to the investigation of the Company and ten related entities (collectively, the "Davies Developers") and the resulting litigation. The Receiver and its counsel have allocated such time evenly across the relevant Davies Developers.

6. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV for the periods indicated and confirm that these accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements claimed by them.

7. Additionally, attached hereto as Exhibit "B" is a summary of roles, hours and rates charged by members of KSV who have worked on this matter, and I hereby confirm that the list represents an accurate account of such information.

8. I consider the accounts to be fair and reasonable considering the circumstances connected with this matter.

9. I also confirm that the Receiver has not received, nor expects to receive, nor has the Receiver been promised any remuneration or consideration other than the amounts claimed in the accounts.

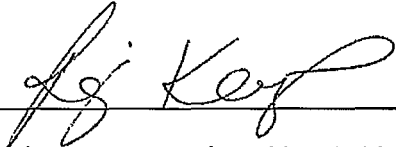
SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, this
10th day of September, 2018.


Commissioner for taking affidavits, etc.)


ROBERT KOFMAN

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KOFMAN
SWORN BEFORE ME THIS 10th DAY OF SEPTEMBER, 2018



A Commissioner for taking Affidavits, etc.

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.



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INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

July 6, 2017

Invoice No: 583
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered from April 15, 2017 to May 31, 2017 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

General Receivership Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, concerning matters in the receivership proceedings;
- Corresponding with Grant Thornton Limited ("Trustee"), the Court-appointed trustee of 2223947 Ontario Ltd. ("222"), a secured creditor of the Company, and several related entities (collectively, the "Tier 1 Entities") and its legal counsel, Aird & Berlis LLP, concerning, among other things, a sale and development process (the "Strategic Process") for the Company's real property located at 2170 Ghent Avenue in Burlington (the "Burlington Property");
- Preparing a receivership action plan;
- Reviewing and commenting on the receivership application materials, including a Notice of Motion and draft receivership order;
- Corresponding with MarshallZehr Group Inc. ("MZG") regarding a loan facility secured against the Burlington Property (the "Loan");
- Reviewing and commenting on a commitment letter between the Receiver and MZG;

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

- Providing diligence information requested by MZG in connection with the Loan;
- Preparing the Second Report of the Receiver dated April 21, 2017 to recommend approval of the Loan (the "Second Report");
- Preparing the Supplement to the Second Report to discuss a security opinion prepared by Bennett Jones on the Company's loan from 2172724 Ontario Inc. ("217") to be repaid from the Loan proceeds;
- Corresponding with legal counsel to 217 regarding certain charges on the payout statement;
- Attending at the receivership application on April 28, 2017;
- Attending at the Company's premises on May 1 and 3, 2017 to meet with John Davies, the Company's sole director, and Dianna Cassidy, the Company's Operations Manager, to, *inter alia*, obtain the Company's books and records;
- Preparing and filing the Receiver's Statement and Notice (the "Receiver's Notice") for the Company as required under Sections 245 and 246 of the *Bankruptcy and Insolvency Act*;
- Compiling a list of the Company's creditors to include with the Receiver's Notice;
- Corresponding with RJB Insurance Group Inc. to obtain proof of insurance for the Burlington Property;
- Corresponding with Tert & Ross Ltd., a contractor, to: (i) conduct an inspection of the Burlington Property; and (ii) coordinate the removal of garbage and repair a fence on the Burlington Property;
- Reviewing photos and video of the Burlington Property taken by Tert & Ross Ltd.;
- Corresponding with the City of Burlington, including attending a telephone call on May 19, 2017 to request a property tax certificate;
- Reviewing information provided by Mr. Davies in connection with the Burlington Property, including:
 - Appraisals;
 - Financial information;
 - Plans and drawings;
 - Municipal permits;
 - Environmental reports; and
 - Market studies.
- Reviewing a title search on the Burlington Property;

- Dealing with Chaitons LLP (“Chaitons”), representative legal counsel to Syndicated Mortgage Investors (“Investors”);
- Attending a conference call on May 18, 2017 with members of the Investor Committee (the “Investor Committee”) to provide an update on the status of the proceedings;
- Corresponding with Andrew Sefton, Chair of the Investment Committee;
- Drafting the Receiver’s Fourth Report to Court to, *inter alia*, (i) provide the Court with the Receiver’s findings concerning its review of the receipts and disbursements of the Company’s and related entities; (ii) recommend that the court issue an order granting a Mareva injunction against Mr. Davies and Aeolian Investments Ltd., an affiliated entity; and (iii) recommend that the Court issue an order compelling certain affiliated entities to deliver their books and records to the Receiver;
- Posting Court and other materials on Receiver’s website; and
- Updating the service list as required under the *E-Service Protocol*.

Banking Matters

- Preparing a letter dated April 28, 2017 to Royal Bank of Canada (“RBC”) requesting that the Company’s bank accounts be restricted to deposit only;
- Corresponding with representatives from RBC regarding the Company’s bank accounts;
- Opening a receivership bank account at Bank of Montreal; and
- Paying receivership expenses.

Financial and Bank Statement Review

- Performing a review of the Company’s bank statements from January 1, 2013 to April 28, 2017 and preparing a summary of all receipts and disbursements for the same period (the “R&D Summary”);
- Reviewing the Company’s accounting information for the period January 1, 2013 to April 28, 2017 in connection with the R&D Summary;
- Corresponding with Harris & Harris LLP, legal counsel to the Company, in order to obtain information in connection with the R&D Summary, including attending a telephone call on May 12, 2017;
- Corresponding with RBC in order to obtain information in connection with the R&D Summary;
- Preparing a schedule of amounts paid by the Company in professional fees;
- Preparing a schedule of amounts due from affiliated entities; and
- Corresponding with Ms. Cassidy regarding the Company’s receipts, disbursements and accounting information.

Strategic Process

- Compiling a list of prospective brokers;
- Corresponding with Bennett Jones regarding the Strategic Process;
- Responding to unsolicited calls from real estate agents, brokers and prospective purchasers;
- Preparing a request for proposals for real estate broker services (the "RFP") and distributing the RFP to prospective brokers;
- Preparing a confidentiality agreement and distributing same to prospective brokers;
- Reviewing diligence documents to be provided to prospective brokers, including site plans, environmental reports and marketing materials;
- Creating an online data room (the "Data Room") to maintain documents relating to the Strategic Process, uploading documents to the Data Room and corresponding with brokers to provide access to the Data Room;
- Corresponding with brokers, including attending numerous telephone calls, in respect of the Strategic Process;
- Reviewing three proposals received by realtors with respect to the sale of the Burlington Property;
- Preparing a schedule summarizing the proposals received from brokers and corresponding with the Investor Committee regarding same;
- Convening internal meetings in connection with our mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	38,265.13
HST		4,974.47
Total	\$	43,239.60

KSV Kofman Inc.
 1703858 Ontario Inc.
Time Summary
 For the period May, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	14.14	9,827.30
Noah Goldstein	500	25.11	12,555.00
Andrew Edwards	425	16.68	7,089.00
Adam Zeldin	425	19.50	8,287.50
Other Staff and Administration			228.00
Subtotal			37,986.80
Out of pocket disbursements			278.33
Total Fees and Disbursements			38,265.13

**ksv advisory inc.**

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INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

July 13, 2017

Invoice No: 599
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered during June, 2017 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

General Receivership Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, concerning matters in the receivership proceedings;
- Corresponding with Grant Thornton Limited ("Trustee"), the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, and several related entities and its legal counsel, Aird & Berlis LLP, concerning, among other things, a sale and development process (the "Strategic Process") for the Company's real property located at 2170 Ghent Avenue in Burlington (the "Burlington Property");
- Corresponding with MarshallZehr Group Inc. ("MZG") regarding a loan facility secured against the Burlington Property (the "Loan");
- Providing diligence information requested by MZG in connection with the Loan;
- Corresponding with HUB International Limited regarding insurance for the Burlington Property;
- Dealing with Chaitons LLP ("Chaitons"), representative legal counsel to Syndicated Mortgage Investors ("Investors");

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

- Corresponding with Andrew Sefton, Chair of the Investment Committee, including a telephone call on June 9, 2017;
- Preparing the Receiver's Fifth Report to Court, dated June 26, 2017 to, *inter alia*, recommend that the Court issue an order approving the Strategic Process;
- Paying receivership expenses;
- Posting Court and other materials on the Receiver's website; and
- Updating the service list as required under the *E-Service Protocol*.

Investigative Matters

- Preparing the Receiver's Fourth Report to Court, dated June 6, 2017, to, *inter alia*, (i) provide the Court with the Receiver's findings concerning its review of the Company's receipts and disbursements and several related entities; (ii) recommend that the Court issue an order granting a Mareva injunction against Mr. Davies and Aeolian Investments Ltd. ("Aeolian"), an affiliated entity; and (iii) recommend that the Court issue an order compelling certain affiliated entities to deliver their books and records to the Receiver;
- Attending at court on June 16, 2017 to request an extension to the Mareva injunction against Mr. Davies;
- Corresponding with several financial institutions regarding the Mareva injunction, including RBC;
- Corresponding with Bennett Jones regarding Mr. Davies' personal assets, including a home owned by Mr. Davies in Arizona;
- Corresponding with Bennett Jones regarding the retention of legal counsel in Arizona ("Arizona Counsel");
- Corresponding with Arizona Counsel regarding Mr. Davies' property in Arizona, including telephone calls on June 8, and 20, 2017;
- Reviewing a sworn statement provided by Mr. Davies dated June 14, 2017 providing a summary of assets owned by Davies and Aeolian;
- Preparing for the examination of Mr. Davies, including preparing questions and support for same;
- Attending an examination of Mr. Davies on June 16, 2017 and discussing same internally; and
- Reviewing answers to undertakings provided by Mr. Davies at the examination.

Strategic Process

- Corresponding with Bennett Jones regarding the Strategic Process;
- Responding to unsolicited calls from real estate agents, brokers and prospective purchasers;
- Preparing a listing agreement to engage Colliers International (“Colliers”);
- Corresponding with Colliers, including attending telephone calls in respect of the Strategic Process;
- Convening internal meetings in connection with our mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	14,088.89
HST		1,831.56
Total	\$	<u>15,920.45</u>

KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the period June 1 to 30, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	6.30	4,378.50
Noah Goldstein	500	13.94	6,970.00
Andrew Edwards	425	6.03	2,562.75
Other Staff and Administration			176.00
Subtotal			14,087.25
Out of pocket disbursements			1.64
Total Fees and Disbursements			14,088.89

**ksv advisory inc.**

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INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

August 15, 2017

Invoice No: 642
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered during July, 2017 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

General Receivership Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, concerning matters in the receivership proceedings;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, and several related entities and its legal counsel, Aird & Berlis LLP, concerning, among other things, a sale and development process (the "Strategic Process") for the Company's real property located at 2170 Ghent Avenue in Burlington (the "Burlington Property");
- Dealing with Chaitons LLP ("Chaitons"), representative legal counsel to Syndicated Mortgage Investors concerning these proceedings;
- Paying receivership expenses; and
- Posting Court and other materials on the Receiver's website.

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

Investigative Matters

- Preparing the Receiver's Sixth Report to Court dated July 12, 2017 ("Sixth Report") regarding, *inter alia*, Aeolian Investments Inc. ("Aeolian") and the rationale for extending the Mareva Order to apply to the Davies Family Trust, the Davies Arizona Trust and Judith Davies (the "Mareva Motion");
- Reviewing motion materials prepared by Bennett Jones in connection with the Mareva Motion, including a Notice of Motion and Factum;
- Preparing a summary of Aeolian's receipts and disbursements for the period October 1, 2012 to May 29, 2017 ("R&D Summary");
- Reviewing the Company's accounting information for the period October 1, 2012 to May 29, 2017 in connection with the R&D Summary;
- Preparing a schedule of amounts paid by the Company to professionals involved in the investor fundraising process and comparing same to the amounts permitted under the loan documents;
- Reviewing legal invoices billed to the Company by Harris & Harris LLP and preparing a schedule summarizing same;
- Attending at Court on July 12, 2017 in connection with the Mareva Motion;
- Reviewing the affidavits of John Davies sworn July 14, 2017 and July 27, 2017;
- Reviewing sworn statements of John Davies regarding the assets and liabilities of the Davies Arizona Trust and Davies Family Trust;
- Reviewing a sworn statement of Judith Davies regarding her assets and liabilities;
- Reviewing an affidavit of Greg Harris in respect of his role as trustee of the Davies Family Trust;
- Dealing with John Davies and his counsel, Dentons LLP, regarding the potential sale of his personal residence;
- Corresponding with Bennett Jones throughout the month regarding the Receiver's investigation; and
- Attending a meeting on July 21, 2017 at Bennett Jones' office to discuss litigation matters.

Strategic Process

- Corresponding with Colliers International ("Colliers"), the listing broker for the Property, in respect of the Strategic Process, including attending a telephone call on July 18, 2017;
- Corresponding with several parties interested in purchasing the Property and referring same to Colliers;

- Reviewing and commenting on several iterations of a teaser and other marketing materials prepared by Colliers;
- Reviewing and adding materials to a data room in connection with the Strategic Process;
- Convening internal meetings in connection with our mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	13,221.98
HST		<u>1,718.86</u>
Total	\$	<u>14,940.84</u>

KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the period July 1-31, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	4.80	3,336.00
Noah Goldstein	500	8.74	4,370.00
Jonathan Joffe	450	4.92	2,214.00
Eli Brenner	425	4.17	1,772.25
Andrew Edwards	425	2.60	1,105.00
Other Staff and Administration			418.75
Subtotal			13,216.00
Out of pocket disbursements			5.98
Total Fees and Disbursements			13,221.98



INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

September 15, 2017

Invoice No: 663
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered during August, 2017 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

General Receivership Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, concerning matters in the receivership proceedings;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, and several related entities and its legal counsel, Aird & Berlis LLP ("A&B"), concerning, among other things, a sale and development process (the "Strategic Process") for the Company's real property located at 2168 and 2170 Ghent Avenue in Burlington (the "Burlington Property");
- Dealing with Chaitons LLP ("Chaitons"), representative legal counsel to Syndicated Mortgage Investors concerning these proceedings;
- Paying receivership expenses; and
- Posting Court and other materials on the Receiver's website.

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

Litigation Matters

- Reviewing the Affidavit of John Davies sworn July 27, 2017 (the "Davies Affidavit");
- Reviewing appraisals prepared by Michael Cane appended to the Davies Affidavit (the "Appraisals");
- Reviewing pro formas appended to the Davies Affidavit (the "Pro Formas") and comparing same to pro formas previously provided by Mr. Davies;
- Attending a call on August 1, 2017 with Bennett Jones to discuss litigation matters;
- Attending a meeting on August 1, 2017 with the Trustee, A&B, Chaitons and Bennett Jones at Bennett Jones' office to discuss litigation matters;
- Corresponding with Mr. Cane regarding the Appraisals;
- Preparing a schedule of development management fees;
- Reviewing marketing materials in connection with Mr. Davies' various developments;
- Corresponding with CBRE regarding the Pro Formas and Appraisals;
- Reviewing a database of emails provided by Mr. Davies;
- Preparing the Receiver's Supplement to Sixth Report dated August 8, 2017 to, *inter alia*, recommend the continuation of the Mareva injunction against Mr. Davies in his personal capacity and in his capacity as trustee of both the Davies Family Trust and the Davies Arizona Trust, Aeolian Investments Ltd., Judith Davies in her personal capacity and in her capacity as trustee of the Davies Family Trust, and Gary Harris in his capacity as trustee of the Davies Family Trust (collectively, the "Defendants").
- Attending a meeting on August 8, 2017 at Bennett Jones' office to prepare for the examinations of Mr. Davies and Judith Davies (the "Examinations");
- Attending the Examinations on August 10, 2017;
- Participating on a call on August 10, 2017 with Bennett Jones, A&B, the Trustee and Chaitons regarding the Examinations;
- Reviewing questions submitted to the Receiver on August 14, 2017 by Dentons LLP ("Dentons"), counsel to Mr. Davies (the "Questions");
- Reviewing and commenting on a letter to the Law Society of Upper Canada dated August 18, 2017;
- Reviewing and commenting on a letter dated August 18, 2017 to Greg Harris of the law firm of Harris & Harris LLP;
- Responding to the Questions on August 21, 2017;
- Reviewing the Defendants' factum dated August 25, 2017;

- Reviewing and commenting on a *Fresh as Amended Statement of Claim* against the Defendants dated August 31, 2017;
- Reviewing and commenting on a *Fresh as Amended Notice of Action* dated August 31, 2017;
- Attending at Court on August 31, 2017;
- Dealing with John Davies and his counsel, Dentons, regarding the potential sale of his personal residence;
- Corresponding with Bennett Jones throughout the month regarding the Receiver's investigation;

Strategic Process

- Corresponding with Colliers International ("Colliers"), the listing broker for the Property, regarding the Strategic Process, including attending telephone calls on August 1, 4, 8, 9, 11, 14, 18 and 25, 2017;
- Corresponding with several parties interested in purchasing the Property and referring same to Colliers;
- Reviewing and commenting on several iterations of a confidential information memorandum, newspaper advertisement and other marketing materials prepared by Colliers;
- Reviewing and adding materials to a data room in connection with the Strategic Process;
- Reviewing weekly updates from Colliers regarding the Strategic Process;
- Considering next steps in the Strategic Process including setting a bid deadline, including several discussions and emails with Colliers re same;
- Convening internal meetings in connection with our mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	18,433.26
HST		2,396.32
Total	\$	<u>20,829.58</u>

KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the period ending August 31, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	8.52	5,921.40
Noah Goldstein	500	18.72	9,360.00
Other Staff and Administration		9.54	3,151.86
Total Fees			<u>18,433.26</u>



INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

October 12, 2017

Invoice No: 693
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered during September, 2017 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

General Receivership Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, concerning matters in the receivership proceedings;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, and several related entities and its legal counsel, Aird & Berlis LLP ("A&B"), concerning, among other things, a sale and development process (the "Strategic Process") for the Company's real property located at 2168 and 2170 Ghent Avenue in Burlington (the "Burlington Property");
- Dealing with Chaitons LLP ("Chaitons"), representative legal counsel to Syndicated Mortgage Investors concerning these proceedings;
- Dealing with the City of Burlington regarding development charges paid by the Company;
- Preparing a letter to the City of Burlington and the Region of Peel dated September 28, 2017 regarding the development charges;

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

- Paying receivership expenses; and
- Posting Court and other materials on the Receiver's website.

Litigation Matters

- Attending a call on September 8, 2017 with Bennett Jones to discuss litigation matters;
- Attending a call on September 12, 2017 with Bennett Jones regarding litigation matters in preparation for a meeting with the Trustee, A&B, Chaitons and Bennett Jones (the "Meeting");
- Attending the Meeting on September 12, 2017 at the office of Bennett Jones;
- Reviewing a Notice of Motion for Leave to Appeal filed by John Davies and Aeolian Investments Ltd. ("Aeolian") on September 13, 2017 in connection with the Maerva Injunction against Mr. Davies and Aeolian;
- Reviewing a letter dated September 13, 2017 prepared by Davies Ward Phillips & Vineberg LLP, counsel to Raj Singh (the "Singh Letter");
- Attending a call on September 14, 2017 with Bennett Jones to discuss the Singh Letter;
- Reviewing and commenting on a response prepared by Bennett Jones to the Singh Letter dated September 18, 2017;
- Reviewing and commenting on a litigation budget prepared by Bennett Jones;
- Preparing a letter to Dentons LLP, counsel to Mr. Davies and Aeolian, dated September 11, 2017;

Strategic Process

- Corresponding with Colliers International ("Colliers"), the listing broker for the Property, regarding the Strategic Process, including attending telephone calls on September 1, 6, 7, 8, 11, 12, 18, 19, 21, 28 and 29, 2017;
- Corresponding with several parties interested in purchasing the Property and referring same to Colliers;
- Reviewing weekly updates from Colliers regarding the Strategic Process;
- Reviewing offers received on September 28, 2017 in connection with the Strategic Process;
- Reviewing and commenting on a summary of the offers prepared by Colliers and distributing same to the Trustee, Chaitons and A&B;
- Convening internal meetings in connection with our mandate; and

- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	8,561.00
HST		<u>1,112.93</u>
Total	\$	<u>9,673.93</u>

KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the period ending September 30, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	3.80	2,641.00
Noah Goldstein	500	11.64	5,820.00
Other Staff and Administration		0.63	100.00
Total Fees			<u>8,561.00</u>



INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

November 14, 2017

Invoice No: 724
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered during October, 2017 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

General Receivership Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, concerning matters in the receivership proceedings;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, and several related entities and its legal counsel, Aird & Berlis LLP ("A&B"), concerning, among other things, a sale and development process (the "Strategic Process") for the Company's real property located at 2170 Ghent Avenue in Burlington (the "Burlington Property");
- Dealing with Chaitons LLP ("Chaitons"), representative legal counsel to Syndicated Mortgage Investors concerning these proceedings;
- Paying receivership expenses; and
- Posting motion and litigation materials on the Receiver's website.

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

Litigation Matters

- Attending calls on October 3, 19, 20, 23 and 24, 2017 with Bennett Jones to discuss litigation matters;
- Corresponding with the Ontario Provincial Police, including emails on October 3 and 12, 2017;
- Reviewing a litigation budget prepared by Bennett Jones and corresponding with the Trustee, A&B and Chaitons regarding same;
- Reviewing the Endorsement of Justice Myers dated October 3, 2017;
- Reviewing the motion record of John Davies dated October 19, 2017 seeking an order to permit the sale of his home (the "Davies Motion");
- Attending at Court on October 24, 2017 regarding the Davies Motion;
- Reviewing the Endorsement of Justice Myers dated October 24, 2017 regarding the Davies Motion;
- Reviewing and commenting on a Factum prepared by Bennett Jones responding to the leave to appeal motion filed by John Davies and Aeolian Investments Ltd. (jointly, the "Defendants");
- Reviewing and commenting a revised statement of claim against, *inter alia*, the Defendants;
- Reviewing a letter dated October 16, 2017 from Dentons LLP ("Dentons"), counsel to Mr. Davies ("Dentons Letter") and corresponding with Bennett Jones regarding same;
- Reviewing emails dated October 23 and 24, 2017 from Dentons (the "Dentons Emails") and corresponding with Bennett Jones regarding same;
- Reviewing and commenting on a letter prepared by Bennett Jones responding to the Dentons Letter and the Dentons Emails;
- Reviewing and commenting on cost submissions prepared by Bennett Jones regarding the Davies Motion;

Strategic Process

- Corresponding with Colliers International ("Colliers"), the listing broker for the Burlington Property, regarding the Strategic Process, including attending telephone calls on October 2, 3, 5, 9, 12, 17, 20, 25 and 29, 2017;
- Preparing a memorandum providing an update on the Strategic Process and sending same to the Trustee, A&B and Chaitons on October 11, 2017;
- Attending a call on October 11, 2017 with MarshallZehr Inc., a secured creditor of the Company, to provide an update on the Strategic Process;

- Attending a call on October 11, 2017 with the Trustee, A&B and Chaitons to provide an update on the Strategic Process;
- Corresponding with Cushman & Wakefield ("Cushman") in respect of a joint venture analysis for the Property, including attending telephone calls on October 18, 19 and 20, 2017;
- Reviewing an engagement letter prepared by Cushman;
- Engaging Cushman on October 20, 2017;
- Preparing a memorandum dated October 25, 2017 providing an update on the Strategic Process and sending same to the Trustee, A&B and Chaitons;
- Preparing a recovery analysis and sending same on October 31, 2017 to the Trustee, A&B and Chaitons;
- Attending a call on October 31, 2017 with the Trustee, A&B and Chaitons to discuss the Strategic Process;
- Convening internal meetings; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	10,408.50
HST		1,353.11
Total	\$	<u>11,761.61</u>

KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the period ending October 31, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	5.30	3,683.50
Noah Goldstein	500	13.42	6,710.00
Other Staff and Administration		0.10	15.00
Total Fees			<u>10,408.50</u>



INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

December 8, 2017

Invoice No: 749
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered during November, 2017 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

General Receivership Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, concerning matters in the receivership proceedings;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, and several related entities and its legal counsel, Aird & Berlis LLP ("A&B"), concerning, among other things, a sale and development process (the "Strategic Process") for the Company's real property located at 2168 and 2170 Ghent Avenue in Burlington (the "Burlington Property");
- Dealing with Chaitons LLP ("Chaitons"), representative legal counsel to Syndicated Mortgage Investors concerning these proceedings;
- Paying receivership expenses; and
- Posting motion and litigation materials on the Receiver's website.

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

Litigation Matters

- Reviewing a letter from Dentons LLP, counsel to John Davies, dated November 1, 2017 concerning Mr. Davies living expenses (the “November 1 Letter”);
- Reviewing and commenting on a letter prepared by Bennett Jones dated November 9, 2017 in response to the November 1 Letter;
- Reviewing banking records provided by Mr. Davies for Textbook Student Suites Inc., Textbook Suites Inc. and Memory Care Investments Ltd.;
- Reviewing and commenting on several iterations of an Amended Statement of Claim to add [REDACTED], as a defendant in the litigation (the “Amended Claim”);
- Attending a call on November 1, 2017 with the Trustee, Bennett Jones, A&B and Chaitons to provide an update on the litigation;
- Attending a call on November 8, 2017 with Bennett Jones regarding the litigation;
- Attending a call on November 27, 2017 with Bennett Jones, A&B and Chaitons to discuss the Amended Claim;

Strategic Process

- Corresponding with Colliers International (“Colliers”), the listing broker for the Burlington Property, regarding the Strategic Process, including attending telephone calls on November 7, 8, 13, 14, 15, 22, 27 and 29, 2017;
- Preparing an e-mail dated November 7, 2017 to the Trustee, A&B and Chaitons to provide an update on the Strategic Process;
- Corresponding with parties interested in purchasing the Burlington Property and referring the parties to Colliers;
- Convening internal meetings; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	6,693.75
HST		870.19
Total	\$	<u>7,563.94</u>

KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the period ending November 30, 2017

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Robert Kofman	695	4.25	2,953.75
Noah Goldstein	500	7.48	3,740.00
Total Fees			<u>6,693.75</u>



INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

January 10, 2018

Invoice No: 775
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered during December, 2017 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

General Receivership Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, concerning matters in the receivership proceedings;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, and several related entities and its legal counsel, Aird & Berlis LLP, concerning, among other things, a sale and development process (the "Strategic Process") for the Company's real property located at 2168 and 2170 Ghent Avenue in Burlington (the "Burlington Property");
- Dealing with Chaitons LLP, representative legal counsel to Syndicated Mortgage Investors, concerning these proceedings;
- Attending a call on December 5, 2017 with the City of Burlington regarding development charges being held by the City;
- Attending a call on December 5, 2017 with the Region of Halton regarding development charges being held by the Region;

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

- Paying receivership expenses; and
- Posting motion and litigation materials on the Receiver's website.

Litigation and Investigative Matters

- Reviewing the Affidavit of John Davies sworn November 30, 2017 regarding his living expenses and discussing same with Bennett Jones;
- Reviewing and commenting on several iterations of an Amended Statement of Claim to add [REDACTED] and others, as defendants in the litigation (the "Amended Claim");
- Finalizing the Amended Claim on December 4, 2017;
- Reviewing a letter from Alan Harris dated December 8, 2017 and discussing same with Bennett Jones;
- Corresponding with Bennett Jones regarding a motion for leave to appeal the Mareva injunction filed by John Davies;
- Reviewing and commenting on a draft letter to Alan Harris and finalizing same on December 13, 2017;
- Reviewing the Affidavit of John Davies sworn December 13, 2017 in support of an application for additional living expenses under the Mareva injunction (the "Mareva Motion");
- Reviewing a letter from Alan Harris dated December 18, 2017 and discussing same with Bennett Jones;
- Attending at Court on December 19, 2017 in connection with the Mareva Motion;

Strategic Process

- Corresponding with Colliers International, the listing broker for the Burlington Property, regarding the Strategic Process, including attending telephone calls on December 7, 8, 13, 15, 19 and 21, 2017;
- Reviewing an offer submitted by a party ("Interested Party") interested in pursuing a joint venture transaction and discussing same internally;
- Attending calls with the Interested Party on December 17, 20, 21 and 27, 2017;
- Convening internal meetings; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	7,806.50
HST		1,014.85
Total	\$	<u>8,821.35</u>

KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the period ending December, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	5.70	3,961.50
Noah Goldstein	500	7.54	3,770.00
Other Staff and Administration		0.25	75.00
Total Fees			<u>7,806.50</u>



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INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

February 14, 2018

Invoice No: 818
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered during January, 2018 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

Litigation and Investigative Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, including in respect of investigative and litigation matters;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, concerning litigation matters, including emails with the Trustee on January 8, 2018 and attending a call with the Trustee on January 23, 2018;
- Corresponding with Bennett Jones regarding a decision by the Divisional Court granting John Davies' motion for leave to appeal the Mareva injunction;
- Corresponding with Bennett Jones regarding an Amended Statement of Claim to add other individuals as defendants in the litigation;
- Reviewing and commenting on several iterations of draft settlement documents with Alan Harris, Erika Harris and Dachstein Holdings Inc. (the "Settlement"), including Minutes of Settlement and a Form of Final Release;

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

- Corresponding with Aird & Berlis LLP, counsel to the Trustee, regarding the Settlement, including emails on January 3 and 9, 2018;
- Reviewing and commenting on a letter prepared by Bennett Jones to Gregory Harris dated January 10, 2018;
- Attending a call on January 22, 2018 with Bennett Jones to consider next steps in connection with the litigation;
- Posting motion materials on the Receiver's website;

Strategic Process

- Corresponding with Colliers International, the listing broker for the Company's real property located at 2168 and 2170 Ghent Avenue in Burlington (the "Burlington Property"), regarding a sale and development process for the Burlington Property (the "Strategic Process"), including attending calls on January 8, 9, 17 and 24, 2018;
- Preparing a joint venture term sheet (the "Term Sheet") in connection with a party interested in completing a transaction (the "Interested Party") for the Burlington Property and the real property owned by Memory Care Investments (Kitchener) Ltd., another entity subject to the receivership proceedings;
- Corresponding with Bennett Jones regarding the Term Sheet, including emails on January 11, 2018;
- Sending the Term Sheet to the Interested Party on January 11, 2018;
- Corresponding with the Trustee to provide an update on the Strategic Process, including attending calls on January 16 and 23, 2018;
- Corresponding with the Interested Party, including attending a call on January 22, 2018;
- Reviewing and commenting on a draft Agreement of Purchase and Sale prepared by Bennett Jones in connection with a potential transaction with the Interested Party for the Burlington Property (the "Transaction");
- Preparing an email dated January 30, 2018 to the Trustee, A&B and Chaitons LLP, representative counsel to the investors, regarding the Transaction;
- Paying receivership expenses;
- Convening internal meetings; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	5,628.00
HST		731.64
Total	\$	<u>6,359.64</u>

KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the period ending January, 2018

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	700	4.30	3,010.00
Noah Goldstein	550	4.76	2,618.00
Total Fees			<u>5,628.00</u>

Note: Effective January 1, 2018, the hourly rate of Messrs. Kofman and Goldstein increased by \$5 and \$50, respectively.



INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

March 20, 2018

Invoice No: 851
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered during February, 2018 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

Litigation and Investigative Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, including in respect of investigative and litigation matters;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, concerning litigation matters;
- Corresponding with Bennett Jones regarding an Amended Statement of Claim to add other individuals as defendants in the litigation;
- Reviewing and commenting on several drafts of the Amended Statement of Claim;
- Attending a call with Bennett Jones on February 2, 2018 to discuss a settlement agreement with entities and individuals that received dividends (the "Settlement Agreement");
- Executing Minutes of Settlement on February 16, 2018 in connection with the Settlement Agreement;

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

- Preparing a Report to Court to recommend approval of the Settlement Agreement;
- Reviewing a litigation budget prepared by Bennett Jones;
- Reviewing a settlement offer presented by John Davies, the principal of the Company (the "Settlement Offer");
- Attending a call on February 27, 2018 with Bennett Jones to discuss the Settlement Offer;
- Posting motion and litigation materials on the Receiver's website;

Strategic Process

- Corresponding with Colliers International, the listing broker for the Company's real property located at 2168 and 2170 Ghent Avenue in Burlington (the "Burlington Property"), regarding a sale and development process for the Burlington Property (the "Strategic Process"), including attending calls and emails on February 2, 5, 6, 9, 20, 21 and 23, 2018;
- Corresponding with a party interested in completed a transaction (the "Interested Party") for the Burlington Property and the real property owned by Memory Care Investments (Kitchener) Ltd., another entity subject to the receivership proceedings, including attending calls and emails on February 7, 16, 21, 23 and 26, 2018;
- Reviewing comments from the Interested Party on a draft Agreement of Purchase and Sale in connection with a potential transaction;

Other

- Paying receivership expenses;
- Convening internal meetings; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	6,315.50
HST		<u>821.02</u>
Total	\$	<u><u>7,136.52</u></u>

KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the month ending February, 2018

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	700	3.75	2,625.00
Noah Goldstein	550	6.41	3,525.50
Other Staff and Administration		0.60	165.00
Total Fees			<u>6,315.50</u>



INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

April 9, 2018

Invoice No: 877
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered during March, 2018 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

Litigation and Investigative Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, including in respect of investigative and litigation matters;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, and its counsel, Aird & Berlis LLP ("A&B"), concerning litigation matters;
- Reviewing a litigation budget prepared by Bennett Jones;
- Attending a call on March 5, 2018 with Bennett Jones regarding the litigation budget;
- Attending a meeting on March 6, 2018 at Bennett Jones with A&B and Chaitons LLP, representative counsel to the investors, regarding next steps in the litigation;
- Corresponding with Bennett Jones regarding an Amended Statement of Claim, including attending calls on March 7 and 26, 2018;
- Reviewing and commenting on several drafts of the Amended Statement of Claim;

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

- Reviewing and commenting on motion materials in connection with a settlement agreement of certain litigation;
- Reviewing and commenting on draft motion materials received from Dentons LLP, counsel to John Davies, in connection with a motion to sell Mr. Davies house;

Strategic Process

- Corresponding with Colliers International, the listing broker for the Company's real property located at 2168 and 2170 Ghent Avenue in Burlington (the "Burlington Property"), regarding a sale and development process for the Burlington Property (the "Strategic Process"), including attending calls and emails on March 1, 6, 8, 12, 15, 21, 24 and 29, 2018;
- Corresponding with a party interested in completed a transaction for the Burlington Property, including emails on March 13, 15, 28 and 29, 2018;

Other

- Paying receivership expenses;
- Convening internal meetings; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	3,120.00
HST		405.60
Total	\$	<u>3,525.60</u>

1703858 Ontario Inc.

Time Summary

For the period ending March 31, 2018

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	700	1.55	1,085.00
Noah Goldstein	550	3.70	2,035.00
Total Fees			<u>3,120.00</u>



INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

May 30, 2018

Invoice No: 916
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered during April 2018 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

Litigation and Investigative Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, including in respect of investigative and litigation matters;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, and its counsel, Aird & Berlis LLP ("A&B"), concerning litigation matters;
- Reviewing and commenting on several drafts of an Amended Statement of Claim and corresponding with Bennett Jones re same;
- Attending a meeting on April 4, 2018 with Bennett Jones regarding the Amended Statement of Claim;
- Reviewing and commenting on motion materials in connection with the settlement of certain litigation (the "Settlement");
- Preparing a Report to Court in connection with the Settlement (not yet filed);

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

- Reviewing and commenting on draft motion materials received from Dentons LLP, counsel to John Davies, in connection with a motion to sell Mr. Davies house (the "House Motion");
- Attending at Court on April 19, 2018 in connection with the House Motion;
- Reviewing a listing agreement for Mr. Davies' house;
- Reviewing and commenting on the factum prepared by Bennett Jones regarding Mr. Davies' appeal of the Mareva injunction;
- Corresponding with the Trustee and A&B regarding litigation issues, including emails on April 11, 12 13, and 18, 2018;
- Reviewing and commenting on a letter dated April 19, 2018 to Michael Cane Consultants, which provided an appraisal of the Company's project;

Strategic Process

- Corresponding with Colliers International, the listing broker for the Company's real property located at 2168 and 2170 Ghent Avenue in Burlington (the "Burlington Property"), regarding a sale and development process for the Burlington Property (the "Strategic Process"), including attending calls and emails on April 7, 10, 12, 14, 17, 18, 24, 25, 26, 27 and 30, 2018; and
- Reviewing, commenting and negotiating an offer received on April 10, 2018 for the Burlington Property;

Total fees and disbursements per attached summary	\$	7,451.50
HST		968.70
Total	\$	<u>8,420.20</u>

KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the period ending April 30, 2018

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	700	4.65	3,255.00
Noah Goldstein	550	7.63	4,196.50
Total Fees			<u>7,451.50</u>



INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

July 31, 2018

Invoice No: 970
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered for the period May 1, 2018 to June 30, 2018 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

Litigation and Investigative Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, including in respect of investigative and litigation matters;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, and its counsel, Aird & Berlis LLP ("A&B"), concerning litigation matters;
- Reviewing and commenting on motion materials in connection with a settlement among the Trustee, the Receiver, and Dachstein Holdings Inc. ("Dachstein"), Alan Harris and Erika Harris (the "Settlement");
- Preparing the Receiver's Eleventh Report to Court dated May 17, 2018 (the "Eleventh Report") in connection with the Settlement;
- Dealing with Bennett Jones regarding comments received from Mr. Harris regarding the terms of the Settlement;

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

- Attending at Court on May 30, 2018 in connection with the motion to approve the Settlement;
- Reviewing updates received from Dentons LLP ("Dentons"), counsel to John Davies, regarding the sale process for Mr. Davies home;
- Reviewing a letter dated May 9, 2018 (the "May 9 Letter") from Dentons in connection with expenses incurred by Mr. Davies during the Mareva injunction;
- Reviewing and commenting on a letter dated May 16, 2018 (the "May 16 Letter") prepared by Bennett Jones in response to the May 9 Letter;
- Reviewing a letter dated May 25, 2018 from Dentons responding to the May 16 Letter;
- Reviewing and commenting on an email prepared by Bennett Jones to A&B on May 20, 2018 to provide an update on the status of the litigation;
- Reviewing, commenting and executing a declaration rescinding the dividend payment to Dachstein in connection with the Settlement;
- Corresponding with Bennett Jones regarding potentially adding additional parties to the litigation, including attending a call on June 21, 2018;
- Reviewing a Notice of Sale received from Moskowitz Capital Mortgage Fund II Inc. in connection with John Davies' home;
- Attending to confidential matters;

Strategic Process

- Corresponding with Colliers International, the listing broker for the Company's real property located at 2168 and 2170 Ghent Avenue in Burlington (the "Burlington Property"), throughout the period regarding a sale and development process for the Burlington Property (the "Strategic Process");
- Corresponding with a potential purchaser of the Burlington Property ("Purchaser"), including telephone calls and emails on May 23, 28, 30, 2018 and June 7 and 8, 2018;
- Reviewing, commenting and negotiating an offer received from the Purchaser for the Burlington Property (the "Offer");
- Corresponding with Bennett Jones regarding the Offer;
- Preparing an email on May 23, 2018 to the Trustee and A&B regarding the Offer;
- Corresponding with Harris Sheaffer LLP, the Purchaser's former legal counsel, including telephone calls and emails on May 4 and 24, 2018;
- Corresponding with Davies Ward Phillips & Vineberg LLP, counsel to the Purchaser, including emails and telephone calls on June 6, 7, 8, 12, 13 14, 15, 19, 21, 22, 25 and 27, 2018;

- Corresponding with the City of Burlington regarding the Offer, including calls and emails on June 12, 13, 14, 26 and 27, 2018;
- Corresponding with Fernando Fabiani, the architect for the proposed development on the Burlington Property, including calls and emails on June 14 and 15, 2018;
- **Other**
- Corresponding with Marshall Zehr Group Inc., a secured lender to the Company, regarding the Strategic Process and extending the maturity date under its loan facility (the "MZ Facility");
- Preparing a Report to Court dated May 17, 2018 regarding, inter alia, seeking an order to extend the maturity of the MZ Facility (the "Extension Motion");
- Reviewing and executing an Extension Agreement dated May 15, 2018 in connection with the MZ Facility;
- Reviewing motion materials prepared by Bennett Jones in connection with the Extension Motion;
- Dealing with Canada Revenue Agency regarding potential harmonized sale tax refunds;
- Convening internal meetings in connection with our mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$ 16,791.00
HST	2,182.83
Total	\$ <u>18,973.83</u>

KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the period May 1, 2018 to June 30, 2018

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	700	7.00	4,900.00
Noah Goldstein	550	21.35	11,742.50
Other Staff and Administration		0.87	148.50
Total Fees			<u>16,791.00</u>



INVOICE

1703858 Ontario Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

August 7, 2018

Invoice No: 1009
HST #: 818808768RT0001

Re: 1703858 Ontario Inc. (the "Company")

For professional services rendered for the period July 1 to 31, 2018 by KSV Kofman Inc. in its capacity as Court-appointed receiver and manager ("Receiver") of certain property of the Company, including¹:

Litigation and Investigative Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, including in respect of investigative and litigation matters;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of 2223947 Ontario Ltd., a secured creditor of the Company, and its counsel, Aird & Berlis LLP ("A&B"), concerning litigation matters;
- Corresponding with Altus Expert Services ("Altus") regarding appraisals prepared in connection with obtaining financing for the real property purchased by the Company, including attending calls on July 3 and 11, 2018;
- Reviewing and responding to an email dated July 3, 2018 from A&B regarding adding additional parties to the litigation;
- Reviewing and commenting on an engagement letter prepared by Altus;
- Reviewing a letter dated July 10, 2018 from Dentons LLP, counsel to John Davies, regarding, *inter alia*, potential additional assets owned by the receivership companies (the "July 10 Letter");

¹ Certain of the activities described in this invoice were performed for more than one entity in the Textbook/Memory Care Group of Companies. Fees have been allocated to each entity where applicable. These activities include, but are not limited to, the Receiver's investigation of the financial activities of Company and entities related to it, as well as certain aspects of the strategic process.

- Reviewing and commenting on a response dated July 13, 2018 prepared by Bennett Jones to the July 10 Letter (the "July 13 Letter");
- Reviewing an email dated July 16, 2018 from the Trustee regarding confidential matters (the "July 16 Email");
- Preparing a list of questions regarding the July 16 Email and sending same to the Trustee;
- Attending a call on July 19, 2018 with Bennett Jones, the Trustee and A&B to discuss the July 16 Email;
- Preparing an action plan on July 20, 2018 and sending same to Bennett Jones, the Trustee and A&B;
- Reviewing a letter dated July 25, 2018 from Dentons responding to the July 13 Letter (the "July 25 Letter")
- Reviewing and commenting on a response dated July 30, 2018 prepared by Bennett Jones to the July 25 Letter;
- Executing on July 26, 2018 the Altus engagement letter;
- Reviewing and commenting on a tolling agreement among, *inter alia*, Tier 1 Transaction Advisory Services, the Receiver and the Trustee;

Strategic Process

- Corresponding with Colliers International, the listing broker for the Company's real property located at 2168 and 2170 Ghent Avenue in Burlington (the "Burlington Property"), throughout the period regarding a sale and development process for the Burlington Property (the "Strategic Process");
- Corresponding with the purchaser of the Burlington Property ("Purchaser") and its legal counsel, Davies Ward Phillips and Vineberg LLP, including emails and calls on July 3, 4, 5, 6, 9, 10, 11, 19, 20, 23, 27, and 30, 2018;
- Reviewing and commenting on an Agreement of Purchase and Sale from the Purchaser for the Burlington Property (the "APS");
- Executing the APS on July 23, 2018;
- Coordinating the deposit required in connection with the APS;
- Corresponding with Bennett Jones regarding the Offer;
- Emailing the Trustee, A&B and Marshall Zehr Group Inc., a secured lender to the Company, to advise of the execution of the APS;
- Corresponding with the City of Burlington regarding the APS;
- Dealing with Canada Revenue Agency regarding potential harmonized sale tax refunds;

- Convening internal meetings in connection with our mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	7,185.50
HST		<u>934.12</u>
Total	\$	<u><u>8,119.62</u></u>

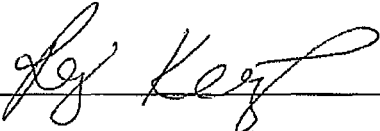
KSV Kofman Inc.
1703858 Ontario Inc.

Time Summary

For the period ending July 31, 2018

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	700	4.05	2,835.00
Noah Goldstein	550	7.91	4,350.50
Total Fees			<u>7,185.50</u>

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KOFMAN
SWORN BEFORE ME THIS 10th DAY OF SEPTEMBER, 2018



A Commissioner for taking Affidavits, etc.

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.

1703858 Ontario Inc.

Schedule of Professionals' Time and Rates

For the Period from May 1, 2017 to July 31, 2018

Personnel	Title	Duties	Hours	Billing Rate (\$ per hour)	Amount (\$)
Robert Kofman	Managing Director	Overall responsibility	78.11	695 / 700	54,412.95
Noah Goldstein	Managing Director	All aspects of mandate	158.35	500 / 550	81,763.00
Andrew Edwards	Manager	Investigative Aspects	25.31	425	10,756.75
Other staff and administrative			45.10	100-450	16,751.86
Total fees					<u>163,684.56</u>
Total hours					306.87
Average hourly rate					\$ 533.40