

**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: November 26, 2018)

Volume 1 of 2

BENNETT JONES LLP
3400 One First Canadian Place
Toronto, ON M5X 1A4

Sean Zweig (LSO#:573071)

Tel: (416) 777-6254
Fax: (416) 863-1716

Counsel to the Receiver,
KSV Kofman Inc.

SERVICE LIST

(Updated as of September 12, 2018)

TO:	<p>THE SUPERINTENDENT OF FINANCIAL SERVICES 5160 Yonge Street P.O. Box 85 Toronto, ON M2N 6L9</p> <p>Tel: 416-590-7143 Fax: 416-590-7556</p> <p>Mark Bailey Email: mark.bailey@fsco.gov.on.ca</p> <p>Daniel Di Fonzo Email: daniel.difonzo@fsco.gov.on.ca</p> <p>Lawyers for The Superintendent of Financial Services</p>
AND TO:	<p>GRANT THORNTON LIMITED 19th Floor, Royal Bank Plaza South Tower, 200 Bay Street Toronto, ON M5J 2P9</p> <p>Jonathan Krieger Tel: 416-360-5055 Email: jonathan.krieger@ca.gt.com</p> <p>David Goldband Tel: 416-369-6446 Email: david.goldband@ca.gt.com</p> <p>Arsheel Muhit Tel: 416-777-6103 Email: Arsheel.Muhit@ca.gt.com</p> <p>Court-appointed Trustee</p>

AND TO:	<p>AIRD & BERLIS LLP Brookfield Place Suite 1800, 181 Bay Street Toronto, ON M5J 2T9</p> <p>Steven L. Graff Tel: 416-865-7726 Email: sgraff@airdberlis.com</p> <p>Ian Aversa Tel: 416-865-3082 Email: iaversa@airdberlis.com</p> <p>Jeremy Nemers Tel: 416-865-7724 Email: jnemers@airdberlis.com</p> <p>Lawyers for the court-appointed Trustee</p>
AND TO:	<p>KSV KOFMAN INC. 150 King Street West Suite 2308 Toronto, ON M5H 1J9</p> <p>Bobby Kofman Tel: 416-932-6228 Email: bkofman@ksvadvisory.com</p> <p>Noah Goldstein Tel: 416-932-6207 Email: ngoldstein@ksvadvisory.com</p> <p>Receiver and manager</p>
AND TO:	<p>BENNETT JONES LLP 3400-One First Canadian Place Suite 3400 Toronto, ON M5X 1A4</p> <p>Sean Zweig Tel: 416-777-6254 Email: zweigs@bennettjones.com</p> <p>Lawyers for the receiver and manager</p>

AND TO:	<p>DAVIES WARD PHILLIPS & VINEBERG LLP 155 Wellington Street West Toronto, ON M5V 3J7</p> <p>James Bunting Tel: 416-367-7433 Email: jbunting@dwpv.com</p> <p>Jay Swartz Tel: 416-863-5520 Email: jswartz@dwpv.com</p> <p>Lawyers for Tier 1 Transaction Advisory Services Inc. and Bhaktraj Singh</p>
AND TO:	<p>DLA PIPER (CANADA) LLP Suite 6000, 1 First Canadian Place PO Box 367, 100 King Street West Toronto, ON M5X 1E2</p> <p>Edmond Lamek Tel: 416-365-3444 Email: edmond.lamek@dlapiper.com</p> <p>Danny Nunes Tel: 416-365-3421 Email: danny.nunes@dlapiper.com</p> <p>Lawyers for Textbook Student Suites (525 Princess Street) Inc., Textbook Student Suites (555 Princess Street) Inc., Textbook Student Suites (Ross Park) Inc., Textbook Student Suites (774 Bronson Avenue) Inc., Textbook Student Suites (445 Princess Street) Inc., Memory Care Investments (Oakville) Ltd., Memory Care Investments (Burlington) Ltd., Memory Care Investments (Kitchener) Ltd., Legacy Lane Investments Inc. and Scollard Development Corporation</p>
AND TO:	<p>MINDEN GROSS LLP 145 King Street West, Suite 2200 Toronto, ON M5H 4G2</p> <p>Kenneth L. Kallish Tel: 416-369-4124 Email: kkallish@mindengross.com</p> <p>Catherine Francis Tel: 416-369-4137 Email: cfrancis@mindengross.com</p>

	Lawyers for the Respondent, 2174217 Ontario Inc.
AND TO:	<p>DEPARTMENT OF JUSTICE The Exchange Tower 130 King Street West, Suite 3400 Toronto, ON M5X 1K6</p> <p>Diane Winters Tel: 416-973-3172 Email: diane.winters@justice.gc.ca</p>
AND TO:	<p>HARRIS + HARRIS LLP 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4</p> <p>Gregory H. Harris Tel: 905-629-7800 Email: gregharris@harrisandharris.com</p> <p>Peter V. Matukas Tel: 905-629-7800 Email: petermatukas@harrisandharris.com</p> <p>Amy Lok Tel: 905-629-7800 Email: amylok@harrisandharris.com</p> <p>Lawyers for Harris + Harris LLP</p>
AND TO:	<p>HARRISON PENZA LLP 450 Talbot Street London, ON N6A 5J6</p> <p>Ian C. Wallace Tel: 519-661-6729 Email: iwallace@harrisonpensa.com</p> <p>Lawyers for 2377358 Ontario Limited and Creek Crest Holdings Inc.</p>
AND TO:	<p>GARFINKLE BIDERMAN LLP 1 Adelaide Street East, Suite 801 Toronto, ON M5C 2V9</p> <p>Wendy Greenspoon-Soer Tel: 416-869-7615</p>

	<p>Email: wgreenspoon@garfinkle.com</p> <p>Lawyers for Vector Financial Services Limited</p>
AND TO:	<p>BORDEN LADNER GERVAIS LLP 40 King Street West Toronto, ON M5H 3Y4</p> <p>James MacLellan Tel: 416-367-6592 Email: JMacLellan@blg.com</p> <p>Sonny Ingram Tel: 416-367-6387 Email: singram@blg.com</p> <p>Lawyers for Trisura Guarantee Insurance Company</p>
AND TO:	<p>CHAITONS LLP 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9</p> <p>Harvey Chaiton Tel: 416-218-1129 Email: harvey@chaitons.com</p> <p>George Benchetrit Tel: 416-218-1141 Email: george@chaitons.com</p> <p>Lawyers for the Investors Committee</p>
AND TO:	<p>DLA PIPER CANADA LLP 1 First Canadian Place 100 King Street West, Suite 6000 Toronto, ON M5X 1E2</p> <p>Howard D. Krupat Tel: 416-365-3510 Email: howard.krupat@dlapiper.com</p> <p>Lawyers for Leeswood Design Build Ltd.</p>

AND TO:	<p>GOLDMAN, SLOAN, NASH & HABER LLP 480 University Avenue, Suite 1600 Toronto, ON M5G 1V2</p> <p>Paul Hancock Tel: 416-597-7881 Email: hancock@gsnh.com</p> <p>Lawyers for Limen Group Const. Ltd.</p>
AND TO:	<p>NANCY ELLIOTT, BARRISTER AND SOLICITOR 5000 Yonge Street, Suite 1901 Toronto, ON M2N 7E9</p> <p>Tel: 416-628-5598 Email: elliottlawfirm@gmail.com</p>
AND TO:	<p>LAX O'SULLIVAN LISUS GOTTLIEB LLP Suite 2750, 145 King Street West Toronto, ON M5H 1J8</p> <p>Matthew P. Gottlieb Tel: 416-644-5353 Email: mgottlieb@counsel-toronto.com</p> <p>Andrew Winton Tel: 416-644-5342 Email: awinton@counsel-toronto.com</p> <p>Lawyers for KingSett Mortgage Corporation</p>
AND TO:	<p>OLYMPIA TRUST COMPANY 200, 125-9 Avenue SE Calgary, AB T2G 0P6</p> <p>Jonathan Bahnuik Tel: 403-668-8365 Email: BahnuikJ@olympiatrust.com</p> <p>Johnny Luong Tel: 403-668-8349 Email: LuongJ@olympiatrust.com</p>
AND TO:	<p>VINER, KENNEDY, FREDERICK, ALLAN & TOBIAS LLP 366 King Street East, Suite 300 Toronto, ON K7K 6Y3</p>

	<p>Garth B. Allan Tel: 613-542-3124 Email: gallan@vinerkennedy.com</p> <p>Lawyers for Computershare Trust Company of Canada</p>
AND TO:	<p>GHD Limited 86 Rankin Street Waterloo, Ontario N2V 1V9</p> <p>Bill Deley Tel: 519-884-7780 ext. 4680 Email: bill.deley@ghd.com</p> <p>Creditor</p>
AND TO:	<p>MARCIANO BECKENSTEIN LLP 7625 Keele Street Concord, Ontario L4K 1Y4</p> <p>Shael E. Beckenstein Tel: 905-760-8773 Email: sbeckenstein@mblaw.ca</p> <p>Lawyers for Sarah Kranc personally and as Estate Trustee for the Estate of Harry Kranc</p>
AND TO:	<p>BATTISTON & ASSOCIATES 1013 Wilson Avenue Suite 202 Toronto, Ontario M3K 1G1</p> <p>Flavio Battiston (22965F) Tel: 416-630-7151 Email: f.battiston@battistonlaw.com</p> <p>Lawyers for lien claimant, Triaxis Construction Limited</p>

AND TO:	<p>TIER 1 TRANSACTION ADVISORY SERVICES INC. 3100 Steeles Avenue East Suite 902 Markham, Ontario L3R 8T3</p> <p>Bhaktraj Singh Email: rajsingh@gmail.com</p>
AND TO:	<p>BLANEY McMURTRY LLP 1500-2 Queen Street East Toronto, Ontario M5C 3G5</p> <p>Steven P. Jeffery Tel: 416-593-3939 Email: sjeffery@blaney.com</p> <p>Lawyers for Downing Street Financial Inc.</p>
AND TO:	<p>BREAKWALL FINANCIAL CORPORATION 3200 Lakeshore Road Burlington, Ontario L7N 1A4</p> <p>Dennis Jewitt Email: dennis@breakwall.com</p>
AND TO:	<p>2569880 ONTARIO LIMITED 3200 Lakeshore Road Burlington, Ontario L7N 1A4</p> <p>Dennis Jewitt Email: dennis@breakwall.com</p>
AND TO:	<p>VARCON CONSTRUCTION CORPORATION c/o Scalisi Barristers 8800 Dufferin Street, Suite 103 Concord, Ontario L4K 0C5</p> <p>Vito S. Scalisi Tel: 905-760-5588 x 226 Email: vito@scalisilaw.ca</p>
AND TO:	<p>DENTONS LLP 400-77 King Street West Toronto, Ontario M5K 0A1</p>

	<p>Michael Beeforth Tel: 416-367-6779 Email: michael.beeforth@dentons.com</p> <p>Counsel to John Davies and Aeolian Investments Ltd.</p>
AND TO:	<p>DONMAR CONTRAPLAN INC. 88 Nelson Street, Oakville, Ontario L6L 3H8</p> <p>John Matas Tel: 416-891-9367 Email: jmatas@matasgroup.ca</p>
AND TO:	<p>MATAS HUETON HOLDINGS INC. 109 Thomas St. P. O. Box 69606 Oakville, Ontario L6J 7R4</p> <p>John Matas Tel: 416-891-9367 Email: jmatas@matasgroup.ca</p>
AND TO:	<p>LEE, ROCHE & KERR 6 Dominion Street P.O. Box 990 Bracebrdige, ON P1L 1V2</p> <p>W. Robert Kerr Tel: 705-645-2286 Fax: 705-645-5541 Email: rkerr@lrklaw.ca</p> <p>Counsel to HLD Corporation LTD., a construction lien claimant</p>
AND TO:	<p>JOHN DAVIES Email: john@textbooksuites.com</p>
AND TO:	<p>CHAD PAULI Email: whatsupdoc6000@gmail.com</p>
AND TO:	<p>WALTER THOMPSON Email: walter@textbooksuites.com</p>

AND TO:	2223947 ONTARIO LIMITED 7 Bowan Court Toronto, ON M2K 3A8
AND TO:	7743718 CANADA INC. 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4
AND TO:	TEXTBOOK STUDENT SUITES (525 PRINCESS STREET) TRUSTEE CORPORATION 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4
AND TO:	TEXTBOOK STUDENT SUITES (555 PRINCESS STREET) TRUSTEE CORPORATION 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4
AND TO:	TEXTBOOK STUDENT SUITES (ROSS PARK) TRUSTEE CORPORATION 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4
AND TO :	TEXTBOOK STUDENT SUITES (774 BRONSON AVENUE) TRUSTEE CORPORATION 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4
AND TO :	TEXTBOOK STUDENT SUITES (445 PRINCESS STREET) TRUSTEE CORPORATION 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4
AND TO:	TEXTBOOK SUITES INC. 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4
AND TO:	TEXTBOOK STUDENT SUITES INC. 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4
AND TO:	FIRST COMMONWEALTH MORTGAGE CORPORATION 337 Castlemore Avenue Markham, ON L6C 2Y1

AND TO:	HAZELTON 4070 DIXIE ROAD TRUSTEE CORPORATION 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4
AND TO:	KEELE MEDICAL TRUSTEE CORPORATION 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4
AND TO:	TIER 1 MORTGAGE CORPORATION 604 Four Winds Way Mississauga, ON L5R 3M4
AND TO:	DAVE BALKISSOON 604 Four Winds Way Mississauga, ON L5R 3M4
AND TO:	JUDE CASSIMY 337 Castlemore Avenue Markham, ON L6C 2Y1
AND TO:	VINCENT ALBERT GUIDO 4 Magic Avenue Markham, Ontario L4C 0A5
AND TO:	ANTHONY DEGUSTOFARO 64 Carmen Crescent Woodbridge, Ontario L4L 5P5
AND TO:	HLD CORPORATION LTD. 50 Howland Drive, Unit 4 Huntsville, Ontario P1H 2P9
AND TO:	MC TRUSTEE (KITCHENER) LTD. 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4
AND TO:	SCOLLARD TRUSTEE CORPORATION 295 The West Mall, 6th Floor Toronto, ON M9C 4Z4

mark.bailey@fsc.gov.on.ca; daniel.difonzo@fsc.gov.on.ca; jonathan.krieger@ca.gt.com;
david.goldband@ca.gt.com; Arsheel.Muhit@ca.gt.com; sgraff@airdberlis.com;
iaversa@airdberlis.com; inemers@airdberlis.com; bkofman@ksvadvisory.com;
ngoldstein@ksvadvisory.com; zweigs@bennettjones.com; jbunting@dwpv.com;
jswartz@dwpv.com; edmond.lamek@dlapiper.com; danny.nunes@dlapiper.com
kkallish@mindengross.com; cfrancis@mindengross.com; diane.winters@justice.gc.ca;
gregharris@harrisandharris.com; petermatukas@harrisandharris.com;
amylok@harrisandharris.com; iwallace@harrisonpensa.com; wgreenspoon@garfinkle.com;
JMacLellan@blg.com; singram@blg.com; harvey@chaitons.com; george@chaitons.com;
howard.krupat@dlapiper.com; hancock@gsnh.com; elliottlawfirm@gmail.com;
BahnukJ@olympiatrust.com; LuongJ@olympiatrust.com; gallan@vinerkennedy.com;
bill.deley@ghd.com; sbeckenstein@mblaw.ca; f.battiston@battistonlaw.com;
rajsingh@gmail.com; sjeffery@blaney.com; dennis@breakwall.com; dennis@breakwall.com;
vito@scalisilaw.ca; john@textbooksuites.com; whatsupdoc6000@gmail.com;
walter@textbooksuites.com;
aedwards@ksvadvisory.com; michael.beeforth@dentons.com; jmatas@matasgroup.ca
jmatas@matasgroup.ca; mgottlieb@counsel-toronto.com; awinton@counsel-toronto.com;
rkerr@lrklaw.ca;

INDEX

**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

INDEX

<u>TAB</u>	<u>DOCUMENTS</u>
1	Notice of Motion returnable November 26, 2018
2	Fourteenth Report of the Receiver dated November 21, 2018
Appendices	
A	Sale and Development Order
B	Agreement of Purchase and Sale (redacted)
C	Waiver and Amending Agreement, October 9, 2018
D	Waiver and Amending Agreement, November 9, 2018 (redacted)
E	Affidavit of Robert Kofman
F	Affidavit of Sean Zweig
Confidential Appendix 1	Offer Summary
Confidential Appendix 2	Agreement of Purchase and Sale (unredacted)
Confidential Appendix 3	Waiver and Amending Agreement, November 9, 2018 (unredacted)
3	Approval and Vesting Order
4	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 November 26, 2018)**

KSV Kofman Inc. (“KSV”) in its capacity as Court-appointed receiver (in such capacity, the “Receiver”) of the real property municipally described as 169 Borden Avenue North, Kitchener, Ontario (the “Real Property”) registered on title as being owned by Memory Care Investments (Kitchener) Ltd. (“Kitchener” or the “Company”), and of all of the assets, undertakings and properties of the Company 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 November 26, 2018, at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. An order (the “**Approval and Vesting Order**”) substantially in the form of the draft order attached as Tab “3” 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 Vive Development Corporation, dated August 10, 2018 (the “**Sale Agreement**”), as such Sale Agreement was assigned by Vive Development Corporation to 169 Borden Inc. (the “**Purchaser**”) and vesting in the Purchaser, or as it may direct in accordance with the Sale Agreement, all of the Receiver’s and Kitchener’s right, title and interest in and to the property described as the “**Purchased Assets**” in the Sale Agreement (the “**Purchased Assets**”).

2. An order (the “**Ancillary Order**”) substantially in the form of the draft order attached as Tab “4” of this Motion Record, among other things,

- (a) sealing the Confidential Appendices of the Fourteenth Report of the Receiver (the “**Fourteenth Report**”) pending completion of the Transaction;
- (b) approving the fees and disbursements of the Receiver and its counsel, as set out in the Fourteenth Report and in the Fee Affidavits (defined below); and
- (c) following the completion of the Transaction, authorizing and directing the Receiver to:
 - (i) first, make one or more distributions to pay outstanding fees and expenses owing to the Receiver and its counsel related to this proceeding; and

- (ii) second, make one or more distributions to MarshallZehr Group Inc. (“MZG”) until the amounts owing to MZG are paid in full.

3. 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 (the “Trustee”) of eleven entities, which raised monies from investors (“Investors”) through syndicated mortgage investments (collectively, the “Trustee Corporations”). Eight of the Trustee Corporations advanced these monies on a secured basis pursuant to loan agreements between the Trustee Corporation and eleven entities (collectively, the “Davies Developers”), including Kitchener.

2. Kitchener and two other Davies Developers, namely 1703858 Ontario Ltd. (“Burlington”) and Memory Care Investments (Oakville) Ltd. (“Oakville”, and together with Kitchener and Burlington, the “Memory Care Entities”), intended to develop residences for people suffering from cognitive impairment.

3. Kitchener purchased the Real Property in February 2014 for \$3.950 million, with funds advanced by Investors to Kitchener. The Real Property is currently raw land.

4. KSV was appointed Receiver of the Property on April 28, 2017 pursuant to an order issued on that date by the Court, (the “Court”), as further amended on May 2, 2017 to address certain clerical errors (the “Amended and Restated Receivership Order”).

5. Pursuant to various orders made by the Court, KSV is also the receiver of certain assets of the remaining Davies Developers.

6. Chaitons LLP was appointed representative counsel to the Investors (**“Representative Counsel”**) pursuant to an Order of the Court dated January 24, 2017.

A. Sale and Development Process

7. 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”**) and approving the retention of Colliers Macaulay Nicolls Inc. (**“Colliers”**) as the listing agent for the real properties owned by the Memory Care Entities.

8. The SDP resulted in multiple offers for each of the Memory Care Entities’ properties, including five for the Real Property. A summary of the offers received for the Real Property is provided in Confidential Appendix “1” to the Fourteenth Report (the **“Offer Summary”**).

9. None of the offers received at the bid deadline of September 28, 2017 (the **“Bid Deadline”**) were acceptable to the Receiver. The marketing process continued until August 2018, at which time the Receiver entered into the Sale Agreement. An unredacted version of the Sale Agreement is provided in Confidential Appendix “2” to the Fourteenth Report.

10. Between the Bid Deadline and the time the Receiver commenced negotiations with the Purchaser, several parties expressed an interest in the Property, including one that considered a joint venture. However, none of these parties provided an unconditional offer, and in respect of the joint venture, the Receiver was unable to negotiate acceptable terms and the prospective purchaser did not have financing.

11. On October 9, 2018, the Receiver and the Purchaser entered into a Waiver and Amending Agreement (the **“First Amending Agreement”**), which waived all diligence conditions in the Sale

Agreement, other than providing the Purchaser with an additional thirty days to complete its environmental diligence.

12. Subsequently, the Receiver and the Purchaser entered into an additional Waiver and Amending Agreement (the “**Second Amending Agreement**”) which waives the environmental diligence condition and contains a purchase price adjustment. An unredacted version of the Second Amending Agreement is provided in Confidential Appendix “3” to the Fourteenth Report.

13. The only remaining condition to the Transaction is Court approval.

14. The Receiver recommends that the Court issue an order approving the Transaction for the following reasons:

- (a) the SDP was conducted in accordance with the Sale Development Process Order;
- (b) the market was widely and appropriately canvassed;
- (c) several parties interested in the Property indicated that the project that Kitchener intended to develop on the Real Property was too small to be economic and that the highest and best use for the Real Property is a residential development that will require concessions from the City of Kitchener, which has risk and will delay the timeframe to complete the project;
- (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) although the Receiver and Colliers discussed joint venture opportunities with interested parties and the Receiver retained Cushman & Wakefield Ltd.

(“**Cushman**”) to investigate the feasibility of a joint venture transaction, a joint venture transaction was not feasible and was not pursued;

- (f) absent the Transaction, a protracted marketing period will continue to be necessary, and ongoing professional fees and other costs would erode the proceeds available for distribution with no certainty that a superior transaction could be completed; and
- (g) the Receiver has kept the Trustee and Representative Counsel apprised of the SDP and neither has object to the Transaction.

B. Sealing

15. The Receiver requests that the Offer Summary, the unredacted Sale Agreement, and the unredacted Second Amending Agreement be filed with the Court on a confidential basis and be sealed (the “**Sealing Order**”) as the documents contain confidential information.

16. If the Offer Summary, the unredacted Sale Agreement, and the unredacted Second Amending Agreement are not sealed, the information may negatively impact future transactions if the Transaction does not close.

17. 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.

C. Approval of Proposed Distributions

18. Pursuant to the Amended and Restated Receivership Order, the Receiver borrowed \$1.475 million from MZG under a Receiver's Certificate (the "MZG Facility"), which MZG Facility was increased to approximately \$1.63 million pursuant to an Amending Agreement dated May 15, 2018 and approved by the Court on May 30, 2018.

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

20. The Receiver and its counsel have been deferring payment of their invoices for several months given the limited balance in Kitchener's receivership bank account.

21. The Receiver is seeking Court approval to make the following distributions upon the closing of the Transaction:

- (i) first, to pay the outstanding fees and expenses owing to the Receiver and its counsel related to this proceeding; and
- (ii) second, to repay the MZG Facility, in full.

22. Other than the Receiver's charge, the Receiver is not aware of any claim that may rank in priority to the distributions proposed above that will not otherwise be satisfied from the Transaction proceeds.

D. Approval of Professional Fees

23. The fees of the Receiver in respect of Kitchener from April 14, 2017 to October 31, 2018 total \$157,430.50, excluding disbursements and HST. The affidavit filed by KSV, as to the Receiver's fees, is attached as Appendix "E" to the Fourteenth Report (the "**KSV Fee Affidavit**").

24. The fees of Bennett Jones LLP from April 14, 2017 to October 31, 2018 total \$174,442.52, excluding disbursements and HST. The affidavit filed by Bennett Jones LLP, as to its fees, is attached as Appendix "F" to the Fourteenth Report (the "**Bennett Jones Fee Affidavit**" and together with the KSV Fee Affidavit, the "**Fee Affidavits**").

25. The fees and disbursements of the Receiver and of Bennett Jones LLP, as described in the Fee Affidavits, are reasonable in the circumstances.

E. General

26. Section 243 and the other provisions of the BIA, as amended.

27. Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and the inherent and equitable jurisdiction of this Court.

28. 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.

29. 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 Fourteenth Report, filed; and
2. such further and other material as counsel may advise and this Court may permit.

November 21, 2018

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

Sean Zweig (LSO#573071)
Tel: (416) 777-6254
Fax: (416) 863-1716

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. AMD 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 November 26, 2018)**

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

Sean H. Zweig (LSO#573071)
Tel: (416) 777-6253
Fax: (416) 863-1716

Counsel to the Receiver,
KSV Kofman Inc.

TAB 2



**Fourteenth Report of
KSV Kofman Inc.**

November 21, 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.**

Contents	Page
1.0 Introduction	1
1.1 Purposes of this Report.....	2
1.2 Currency.....	2
2.0 Background	3
2.1 Kitchener	3
2.2 Secured Creditors.....	4
2.3 Schedule of Receipts and Disbursements.....	5
2.4 Representative Counsel.....	5
3.0 SDP.....	6
3.1 Overview.....	6
3.2 Sale Process Results.....	7
3.3 Joint Venture Consideration.....	8
4.0 Transaction	8
4.1 Confidentiality	10
4.2 Recommendation.....	10
5.0 Distributions.....	11
5.1 Secured Creditors.....	11
6.0 Professional Fees.....	11
7.0 Conclusion and Recommendation.....	12

Appendices

Appendix	Tab
Sale and Development Order	A
Agreement of Purchase and Sale (redacted).....	B
Waiver and Amending Agreement, October 9, 2018.....	C
Waiver and Amending Agreement, November 9, 2018 (redacted).....	D
Affidavit of Robert Kofman.....	E
Affidavit of Sean Zweig.....	F

Confidential Appendix

Offer Summary	1
Agreement of Purchase and Sale (unredacted).....	2
Waiver and Amending Agreement, November 9, 2018 (unredacted).....	3



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

FOURTEENTH REPORT OF
KSV KOFMAN INC.
AS RECEIVER AND MANAGER

NOVEMBER 21, 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 169 Borden Avenue North, Kitchener, Ontario (the "Real Property"), which Real Property is registered on title as being owned by Memory Care Investments (Kitchener) Ltd. ("Kitchener"), 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 advanced these monies on a secured basis pursuant to loan agreements between the Trustee Corporation and eleven entities (collectively, the "Davies Developers"), including Kitchener.

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 assets 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) summarize a transaction (the "Transaction") with 169 Borden Inc. (the "Purchaser") for the sale of the Purchased Assets (as defined below) pursuant to an Agreement of Purchase and Sale dated August 10, 2018 between the Receiver and the Purchaser³ (the "APS"); and
 - d) recommend that the Court issue orders, *inter alia*:
 - i. approving the Transaction;
 - ii. 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;
 - iii. following the completion of the Transaction, authorizing and directing the Receiver to make a distribution to Marshall Zehr Group Inc. ("MZG") to repay all amounts owing to it under a Receiver Certificate dated May 8, 2017 (the "Receiver Certificate");
 - iv. sealing the confidential appendices to this Report pending completion of the Transaction; and
 - v. approving the fees and disbursements of the Receiver and its legal counsel, Bennett Jones LLP ("Bennett Jones"), in these proceedings, from its commencement to October 31, 2018.

1.2 Currency

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

³ The APS was assigned to the Purchaser by Vive Development Corporation, an entity related to the Purchaser.

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 to the Davies Developers from the Trustee Corporations were to be used to purchase real property, and were intended to be used 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 Kitchener

1. Kitchener and two other Davies Developers, 1703858 Ontario Ltd. ("Burlington") 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. Sale transactions have been approved earlier in these proceedings for the real properties owned by each of Burlington and Oakville.
2. On June 4, 2013, 2375219 Ontario Ltd. ("237"), an entity which the Receiver understands is directly or indirectly owned by individuals that indirectly own some or all of the Davies Developers, purchased a retirement home located on the Real Property for \$1.585 million (the "Retirement Home").
3. 237 arranged for Lafontaine Terrace Management Corporation ("Lafontaine") to discontinue the business carried on by the Retirement Home. The Retirement Home was subsequently demolished and it is now raw land.
4. On February 25, 2014, approximately nine months after the retirement home was purchased, the Real Property was sold by 237 to Kitchener for \$3.950 million. The Real Property was purchased from 237 with funds advanced by Investors to Kitchener.
5. John Davies is the sole director and officer of Kitchener, Lafontaine and 237.

2.2 Secured Creditors

2.2.1 MarshallZehr Group Inc.

1. Pursuant to the Amended and Restated Receivership Order, the Receiver borrowed \$1.475 million from MZG under a Receiver's Certificate to pay out a first mortgage on the property in the amount of \$1.1 million and 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 approximately \$1.63 million to account for an additional year of interest and a 1% lender's fee. The Court approved the Amending Agreement on May 30, 2018.
3. The table below summarizes the use of the amounts funded by MZG.

(unaudited; \$)	Original Facility	Amending Agreement	Total
Loan proceeds	1,475,000	156,276	1,631,276
Interest reserves	(140,125)	(140,125)	(280,250)
MZG fees	(29,500)	(16,151)	(45,651)
MZG's legal fees	(5,075)	-	(5,075)
	1,300,300	-	1,300,300
Repayment of first mortgages	(1,127,833)	-	(1,127,833)
Remainder	172,467	-	172,467
Receivership Costs			
Professional fees ⁴			
Receiver (excluding accruals)	(79,136)	-	(79,136)
Receiver's legal counsel (excluding accruals)	(64,303)	-	(64,303)
Other costs ⁵	(28,671)	-	(28,671)
	(172,110)	-	(172,110)
Balance	357	-	357

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. If the Transaction closes on the anticipated closing date, MZG will be required to refund approximately \$35,000 in interest.
5. MZG was granted a first ranking Court-ordered charge against the assets of Kitchener, 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.

⁴ The allocation of professional fees is discussed in Section 6 below.

⁵ Excludes costs to complete the receivership proceedings.

2.2.2 MC Trustee (Kitchener) Ltd.

1. MC Trustee (Kitchener) Ltd. (the "Kitchener Trustee") raised approximately \$10.6 million from Investors through syndicated mortgage investments. The Kitchener Trustee then entered into a loan agreement with Kitchener secured by a mortgage on the Real Property. At the date these proceedings commenced, Kitchener had spent all monies it had raised and the cash balance in its bank account was negligible.

2.3 Schedule of Receipts and Disbursements

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

(\$000s; unaudited)	Amount
Receipts	
Syndicated Mortgage Proceeds	10,577
Affiliated entities	1,225
Other mortgagee	950
Other/unknown	247
	<u>12,999</u>
Disbursements	
Land – 169 Borden Avenue	3,569
Affiliated entities	3,237
Interest paid	1,829
Broker and referral fees	1,733
Payments to shareholders	1,547
Development costs	762
Professional fees	270
Other	52
	<u>12,999</u>
Ending bank balance	<u>-</u>

2. The table reflects that of the nearly \$13 million in receipts:
 - approximately \$1.2 million was received from affiliated entities and \$3.2 million was advanced to affiliated entities;
 - approximately \$1.7 million was paid to brokers and for referral fees in connection with the syndicated mortgage investments; and
 - approximately \$1.5 million was paid to shareholders and entities and individuals related to shareholders, including approximately \$650,000 paid to Raj Singh and \$506,000 paid to Aeolian Investments Ltd ("Aeolian"). Mr. Singh and/or entities related to him are indirect owners of several of the Davies Developers. 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 Kitchener.

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.
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 could 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 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:
 - 105 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 August 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 Kitchener, the success of which was uncertain.
5. The Receiver and the Purchaser executed the APS on August 10, 2018. The Receiver kept MZG, the Trustee and Representative Counsel apprised of the SDP, including negotiations surrounding the Transaction.
6. The APS provides a sixty-day due diligence condition. In September 2018, the Purchaser advised the Receiver that it was satisfied with its diligence other than potential environmental issues. On October 9, 2018, the Receiver and Purchaser entered into a Waiver and Amending Agreement ("First Amending Agreement"), which waived all diligence conditions, other than providing the Purchaser with an additional thirty days to complete its environmental diligence.

7. Prior to expiry of the environmental diligence period, the Purchaser approached the Receiver regarding a purchase price adjustment in connection with potential soil issues on the Real Property. The Receiver discussed the adjustment with MZG. The Receiver engaged in negotiations with the Purchaser which culminated in an additional Waiver and Amending Agreement (the "Second Amending Agreement"). The Second Amending Agreement, *inter alia*, waives the environmental diligence condition and contains a purchase price adjustment. The only remaining condition to the Transaction is Court approval.
8. 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 4.1 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.⁶ 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 noted in Section 3.2.3 above.

4.0 Transaction⁷

1. A summary of the Transaction is as follows:
 - **Purchaser:** 169 Borden Inc., a single purpose entity incorporated for the purpose of the Transaction;
 - **Purchased Assets:** the Receiver's and Kitchener's right, title and interest in the following:
 - (i) the Real Property;
 - (ii) prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Real Property;
 - (iii) Plans;
 - (iv) Permits in connection with the Real Property, to the extent transferable; and
 - (v) all intellectual property, if any, with respect to the Project;
 - **Purchase Price:** the Receiver recommends that the Purchase Price be sealed pending closing of the transaction, at which time the Receiver is of the view it can be unsealed. The Purchase Price is to be adjusted on closing for property taxes and other adjustments standard for a real estate transaction;

⁶ Cushman was retained by the Receiver on several Davies Developers' projects to provide advice on joint venture opportunities.

⁷ Terms not defined in this section have the meaning provided to them in the APS.

- **Deposit:** the Purchaser has paid a deposit representing 15% of the purchase price;
 - **Excluded Assets:** the Receiver's and Kitchener's right, title and interest in any assets of Kitchener, 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 Kitchener relating to the Business;
 - **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; and
 - (iii) 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:** December 17, 2018;
 - **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, the First Amending Agreement and a redacted version of the Second Amending Agreement are attached as Appendix "B", "C" and "D" respectively (each redacted for price only). An unredacted version of the APS and the Second Amending Agreement is provided in Confidential Appendix "2" and "3", respectively.

4.1 Confidentiality

1. The Receiver recommends that the Offer Summary, the unredacted APS and the unredacted Second Amending Agreement be filed with the Court on a confidential basis and be sealed ("Sealing Order") as the documents contain confidential information. If these documents 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.

4.2 Recommendation

1. The Receiver recommends that the Court issue an order approving the Transaction for the following reasons:
 - a) the SDP was conducted in accordance with the Sale and Development Process Order;
 - b) the market has been widely canvassed since August 2017 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;
 - c) several parties interested in the Property indicated that the project that Kitchener intended to develop on the Real Property was too small to be economic and that the highest and best use for the Real Property is a residential development that will require concessions from the City of Kitchener, which has risk and will delay the timeframe to complete the project;
 - 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. 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 neither has objected to the Transaction.

5.0 Distributions

5.1 Secured Creditors

1. MZG has a Court-approved senior ranking charge in accordance with the terms of the Receiver's Certificate.
1. The Receiver is seeking Court approval to make the following distributions upon closing of the Transaction:
 - a) first, to pay outstanding fees and expenses owing to the Receiver and its counsel. The Receiver and its counsel have been deferring payment of their invoices for several months given the limited balance in Kitchener's receivership bank account; and
 - b) second, to repay the MZG Facility, in full.
2. Other than the Receiver's Charge, the Receiver is not aware of any claims that rank in priority to the proposed distributions 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 Kitchener from April 14, 2017 to October 31, 2018 total \$157,430.50 and \$174,442.52, 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 "E" and "F", respectively. The invoices include limited redactions where necessary to maintain confidentiality, particularly in respect of litigation matters⁸.
2. The average hourly rate for the Receiver and Bennett Jones for the referenced billing period was \$534.99 and \$509.89, 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.

⁸ Unredacted invoices will be made available to the Court upon request.

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)(d) of this Report.

* * *

All of which is respectfully submitted,

Handwritten signature in cursive script that reads "KSV Kofman Inc".

**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
CERTAIN PROPERTY OF MEMORY CARE INVESTMENTS (KITCHENER) LTD.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

TAB A

Appendix “A”

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.

)

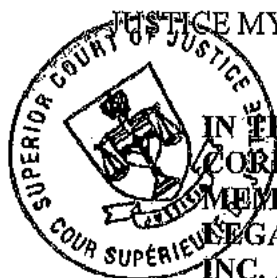
FRIDAY, THE 30th

)

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 Collients 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

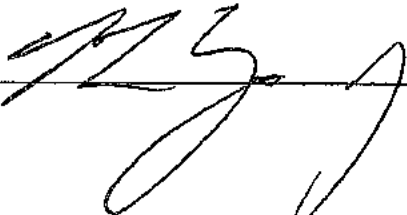
15. **THIS COURT ORDERS** that the confidential appendix to the Fifth Report be sealed, kept confidential and not form part of the public record pending further Order of this Court.

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 #57307D)
Tel: (416) 777-6254
Fax: (416) 863-1716

Lawyers for the Receiver,
KSV Kofman Inc.

TAB B

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 Memory Care Investments
(Kitchener) Ltd. and of all the assets, undertakings and properties of Memory Care Investments
(Kitchener) Ltd. acquired for or used in relation to such real property,
and not in its personal capacity or in any other capacity

- and -

VIVE DEVELOPMENT CORPORATION

Dated: August 10, 2018

Table of Contents

	Page
ARTICLE 1 DEFINED TERMS.....	2
1.1 Definitions.....	2
ARTICLE 2 SCHEDULES.....	6
2.1 Schedules	6
ARTICLE 3 AGREEMENT TO PURCHASE.....	6
3.1 Purchase and Sale of Purchased Assets	6
3.2 Excluded Assets.....	7
3.3 Excluded Liabilities	7
ARTICLE 4 PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE	8
4.1 Purchase Price.....	8
4.2 Deposit	8
4.3 Satisfaction of Purchase Price.....	8
4.4 Allocation of Purchase Price.....	8
4.5 Adjustment of Purchase Price.....	8
ARTICLE 5 TAXES.....	9
5.1 Taxes.....	9
ARTICLE 6 ACCESS AND CONFIDENTIALITY.....	9
6.1 Confidentiality	9
6.2 Authorizations.....	10
ARTICLE 7 CLOSING ARRANGEMENTS	10
7.1 Closing.....	10
7.2 Tender	10
7.3 Receiver's Closing Deliverables	10
7.4 Purchaser's Closing Deliverables.....	11
7.5 Receiver's Certificate	12
ARTICLE 8 CONDITIONS PRECEDENT TO CLOSING	12
8.1 Conditions in Favour of the Receiver.....	12
8.2 Conditions in Favour of Receiver Not Fulfilled	12
8.3 Conditions in Favour of the Purchaser.....	13
8.4 Conditions in Favour of Purchaser Not Fulfilled.....	13
ARTICLE 9 REPRESENTATIONS & WARRANTIES OF THE RECEIVER.....	14
ARTICLE 10 REPRESENTATIONS & WARRANTIES OF THE PURCHASER.....	14
ARTICLE 11 COVENANTS	15
11.1 Mutual Covenants	15

Table of Contents
(continued)

	Page
11.2 Receiver Covenants	15
ARTICLE 12 POSSESSION AND ACCESS PRIOR TO CLOSING.....	16
12.1 Possession of Purchased Assets	16
12.2 Risk	16
ARTICLE 13 AS IS, WHERE IS	17
13.1 Condition of the Purchased Assets	17
ARTICLE 14 POST-CLOSING MATTERS.....	17
14.1 Books and Records	17
ARTICLE 15 TERMINATION.....	17
15.1 Termination of this Agreement.....	17
15.2 Remedies for Breach of Agreement.....	18
15.3 Termination If No Breach of Agreement.....	18
ARTICLE 16 GENERAL CONTRACT PROVISIONS.....	18
16.1 Further Assurances.....	18
16.2 Survival Following Completion.....	19
16.3 Notice.....	19
16.4 Waiver.....	20
16.5 Consent	20
16.6 Governing Law	20
16.7 Entire Agreement.....	20
16.8 Time of the Essence	21
16.9 Time Periods	21
16.10 Assignment	21
16.11 Expenses	21
16.12 Severability	21
16.13 No Strict Construction	21
16.14 Cumulative Remedies	22
16.15 Currency.....	22
16.16 Receiver's Capacity.....	22
16.17 Planning Act.....	22
16.18 No Third Party Beneficiaries	22
16.19 Number and Gender	22
16.20 Counterparts.....	22

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this 10th day of August, 2018.

BETWEEN:

KSV KOFMAN INC. ("KSV"), in its capacity as court-appointed receiver of all the real property registered on title as being owned by Memory Care Investments (Kitchener) Ltd. and of all the assets, undertakings and properties of Memory Care Investments (Kitchener) Ltd. 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 -

VIVE DEVELOPMENT CORPORATION

(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 all of the lands and premises municipally described as 169 Borden Avenue North, Kitchener, Ontario (collectively, the "**Lands**") and all of the present and after-acquired assets, undertaking and properties of Memory Care Investments (Kitchener) Ltd. (the "**Debtor**") acquired for or used in relation to the Lands (collectively, together with the Lands, the "**Property**");
- B. **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;
- C. **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;
- D. **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:

- 2 -

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 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 and the Debtor'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 in a form substantively similar to the draft order attached as Schedule "A" hereto;

"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

- 3 -

foregoing or any proceeding relating to any of the foregoing, related to the Debtor or the Real Property, and "Claim" means any one of them;

"Closing" means the successful completion of the Transaction;

"Closing Date" means the first Business Day which is Ten (10) Business Days after the later of: (i) receipt of the Approval and Vesting Order; and (ii) the Due Diligence 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, provided that the Unit Purchase Agreements shall not be included as Contracts;

"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;

"Due Diligence Date" means 5:00 p.m. (Eastern Standard Time) on the sixtieth (60th) day following the date of mutual acceptance of this Agreement;

"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 and the Debtor's right, title and interest in and to any asset of the Receiver and the Debtor other than the Purchased Assets, which Excluded Assets include the Receiver's and the Debtor'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 that do not relate exclusively or primarily to any of the Purchased Assets;
- (b) the benefit of any refundable Taxes payable or paid by the Debtor in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any

- 4 -

amounts withheld by any taxing authority, and any claim or right of the Debtor to any refund, rebate, or credit of Taxes for the period prior to the Closing Date; and

(c) the Contracts;

"**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;

"**LRO**" means the Land Registry Office for the Land Titles Division of Waterloo (No. 58);

"**Notice**" has the meaning given in Section 16.3 herein;

"**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;

"**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 all plans, designs and specification in connection with the Real Property which are in the possession or control of the Receiver (it being acknowledged that the Receiver is under no obligation to incur additional expense to obtain such plans, designs and specifications);

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

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

- 5 -

"Purchased Assets" means all of the Receiver's and the Debtor's right, title and interest in and to the following:

- (a) the full benefit of all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Real Property;
- (b) the Real Property;
- (c) the Plans;
- (d) the Permits, but only to the extent transferable to the Purchaser or the Purchaser's permitted assignees; and
- (e) all intellectual property, if any, owned by the Debtor 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 Vive Development Corporation or its assignee in accordance with Section 16.10 hereof;

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

"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;

"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;

"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;

- 6 -

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	Permitted Encumbrances
Schedule C	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, the Receiver hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, all right, title and interest of the Receiver and the Debtor in and to the Purchased Assets 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 form part of the Purchased Assets and which 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 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;

- 7 -

- (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.

The provisions of this Section 3.1 shall not merge but shall survive the completion of the Transaction. Notwithstanding the forgoing, 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 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 payable by the Debtor 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 and incurred prior to Closing; or (ii) any employees of the Debtor;
- (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

- 8 -

- (e) any liability, obligation or commitment in respect to Claims arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Date.

ARTICLE 4
PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price

The purchase price for the Purchased Assets shall be the aggregate of [REDACTED] (the "Purchase Price").

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 "Deposit") which Deposit shall be 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

The Purchaser shall indefeasibly pay and satisfy the Purchase Price as follows:

- (a) the Deposit shall be applied against the Purchase Price; and
- (b) the balance of the Purchase Price, subject to adjustments contained in this Agreement, shall be paid by wire or certified cheque on Closing by the Purchaser to the Receiver's Solicitors or as the Receiver's Solicitors may otherwise direct in writing.

4.4 Allocation of Purchase Price

The Parties, acting reasonably and in good faith, covenant to use best 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 but rather shall result in the nullity of the application of this Section 4.4 of the Agreement such that 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. 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

- 9 -

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) Other than as provided for in this Section 4.5, there shall be no adjustments to the Purchase Price.

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 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. The Receiver will not collect HST if the Purchaser provides to the Receiver a warranty that it is registered under the ETA, together with a copy of the required ETA registration at least five (5) Business Days prior to Closing, 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 foregoing 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 obtained, prepared or summarized by the Purchaser or its representatives (collectively, the "**Confidential Information**"), except, on a need to know basis, to those individuals employed by the Purchaser, its professional consultants, including the Purchaser's legal counsel, and to those 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 and any failure of a Purchaser Representative to do so will be a breach of this Agreement by the Purchaser.

- 10 -

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.

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

Any tender of documents or money under this Agreement may be made upon the Parties or their respective lawyers, and money shall be tendered by wire transfer of immediately available funds to the account specified by the receiving Party. The Receiver and the Purchaser acknowledge and agree that insofar as the tender of any documents to be electronically registered is concerned, the tender of same will be deemed to be effective and proper when the solicitor for the party tendering has completed all steps required by Teraview in order to complete the Transaction that can be performed or undertaken by the tendering party's solicitor without the cooperation or participation of the other party's solicitor, and specifically when the tendering party's solicitor has electronically "signed" the transfer/deed and any other Closing document, if any, to be electronically registered for completeness and granted access to the other party's solicitor to same, but without the necessity of the tendering party's solicitor actually releasing such document(s) to the other party's solicitor for registration.

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 attached Receiver's Certificate;
- (b) a statement of adjustments prepared in accordance with Section 4.5 hereof, to be delivered not less than five (5) Business Days prior to Closing;
- (c) to the extent applicable, an assignment and assumption agreement with respect to all Permits and to the extent 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);

- 11 -

- (d) 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;
- (e) 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
 - (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;
- (f) an acknowledgement, dated as of the Closing Date, that each of the conditions in Section 8.1 hereof have been fulfilled, performed or waived as of the Closing Time; and
- (g) 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.

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 indefeasible payment and satisfaction in full of the Purchase Price according to Section 4.3 hereof;
- (b) an assignment and assumption agreement with respect to all Permits pertaining to the Real Property (to the extent assignable) and to the extent 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);
- (c) a certificate from the Purchaser, dated as of the Closing Date, certifying that all representations, warranties and covenants of the Purchaser contained in Article 10 are true as of the Closing Time, with the same effect as though made on and as of the Closing Time;
- (d) if necessary, payment or evidence of payment of HST applicable to the Purchased Assets or, if applicable, appropriate tax exemption certificates with respect to HST in accordance with Article 5 hereof;

- 12 -

- (e) if desired, 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.

7.5 Receiver's Certificate

Upon receipt of written confirmation from the Purchaser that all of the conditions contained in Section 8.3 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Receiver of all of the conditions contained in Section 8.1, the Receiver shall forthwith deliver to the Purchaser the Receiver's Certificate comprising Schedule "A" of the Approval and Vesting Order, and shall file same with the Court.

ARTICLE 8 **CONDITIONS PRECEDENT TO CLOSING**

8.1 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 10 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.

8.2 Conditions in Favour of Receiver Not Fulfilled

If any of the conditions contained in Section 8.1 hereof 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.

8.3 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 (or such other date referenced below), 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 Acceptance 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 Acceptance 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 of the Lands;
- (f) the Court shall have issued the Approval and Vesting Order; and
- (g) on or before the Due Diligence Date, the Purchaser shall be satisfied in its sole, absolute and subjective discretion with the Purchased Assets, including without limitation, title to the Property and the physical and environmental condition of the Property.

8.4 Conditions in Favour of Purchaser Not Fulfilled

If any of the conditions contained in Section 8.3 hereof is not fulfilled on or prior to the Due Diligence Date or Closing Date, as applicable, 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

- 14 -

- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.
- (c) In the event the condition set forth in section 8.3(g) is not satisfied or waived as therein provided on or before the Due Diligence Date, this Agreement shall be terminated, null and void and of no further force or effect whatsoever and no party to this Agreement shall have a claim against any other party hereto with respect to this Agreement other than the return of the Deposit to the Purchaser. If by 5:00 p.m. on the Due Diligence Date, the Purchaser has not given Notice to the Vendor or its solicitors that the condition set forth in section 8.3(g) has not been satisfied or has been satisfied or has been waived, such condition shall be deemed not to have been satisfied or waived.

ARTICLE 9
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 10
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:

- 15 -

- (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 11 **COVENANTS**

11.1 Mutual Covenants

Each of the Receiver and the Purchaser hereby covenants and agrees that, from the date hereof until Closing, each shall take all such actions as are necessary to have the Transaction approved in the Approval and Vesting Order 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 8 hereof.

11.2 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 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.

ARTICLE 12
POSSESSION AND ACCESS PRIOR TO CLOSING

12.1 Possession of Purchased Assets

The Receiver shall remain in possession of the Purchased Assets until the Closing Time, 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 and the Purchaser has satisfied or the Receiver has waived all the delivery requirements outlined in Section 8.1 hereof.

12.2 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 to the Purchaser by the Receiver of the occurrence of such damage or destruction (or prior to the Closing Date if such occurrence takes place within fifteen (15) calendar days of the Closing Date), in which event this Agreement shall be terminated automatically. 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. 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. For the purposes of this Section 12.2(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, 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 shall be returned to the Purchaser forthwith.

- 17 -

ARTICLE 13
AS IS, WHERE IS

13.1 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 14
POST-CLOSING MATTERS

14.1 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 15
TERMINATION

15.1 Termination of this Agreement

This Agreement may be validly terminated:

- (a) upon the mutual written agreement of the Parties;
- (b) pursuant to Section 8.2 hereof by the Receiver;

- 18 -

- (c) pursuant to Section 8.4 hereof by the Purchaser; or
- (d) pursuant to Section 12.2 hereof.

15.2 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 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.

15.3 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 16 **GENERAL CONTRACT PROVISIONS**

16.1 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.

16.2 Survival Following Completion

Notwithstanding any other provision of this Agreement, Article 9, Article 10, Section 15.2 and Section 15.3 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.

16.3 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:

Vive Development Corporation
1020 King Street East
Kitchener, ON N2G 2M9

Attention: Stephen Litt
Tel: (519) 498-2141
Email: sl@vivedevelopment.ca

and a copy to the Purchaser's counsel to:

- 20 -

Wildeboer Dellelce LLP
365 Bay Street, Suite 800
Toronto, ON M5H 2V1

Attention: Jonathan Born
Tel: (416) 361-6211
Email: jborn@wildlaw.ca

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 first (1st) Business Day after its transmission.

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.

16.4 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.

16.5 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.

16.6 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.

16.7 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

- 21 -

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.

16.8 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.

16.9 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.

16.10 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, or in the case of a joint venture, where the Purchaser is a member and/or development manager, provided that the Purchaser shall not be released from any and all obligations and liabilities hereunder until after the Closing of the transaction. The forgoing 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.

16.11 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.

16.12 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.

16.13 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.

16.14 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.

16.15 Currency

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

16.16 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.

16.17 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.

16.18 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.

16.19 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".

16.20 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.]

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 Memory Care Investments (Kitchener) Ltd. and of all the assets, undertakings and properties of Memory Care Investments (Kitchener) Ltd. acquired for or used in relation to such real property, and not in its personal capacity or in any other capacity

Per: 

Name: Noah Goldstein

Title: Managing Director

ACCEPTED by the Purchaser this 10th day of August, 2018

Per: 

Name: Stephen Litt

Title: Authorized Signing Officer

- 2 -

in accordance with the Sale Agreement, all the Receiver'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 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**"), 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

- 3 -

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

- 4 -

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 and any bankruptcy order issued pursuant to any such applications; and

any assignment in bankruptcy made in respect of the Debtor,

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 shall not be void or voidable by creditors of the Debtor, 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.

- 5 -

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.

- 6 -

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. 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 Memory Care Investments (Kitchener) Ltd. (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").

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 [REDACTED] (the "Purchaser"), as purchaser, dated [REDACTED], 2018 (the "Sale Agreement"), and provided for the vesting in the Purchaser, or as it may

- 7 -

direct in accordance with the Sale Agreement, of all the Receiver'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

- 8 -

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 Memory Care Investments (Kitchener) Ltd. and of all the assets, undertakings and properties of Memory Care Investments (Kitchener) 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 22507-0109 (LT)

169 Borden Avenue North, Kitchener, Ontario

LT 6 PL 655 KITCHENER; KITCHENER

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

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
WR804321	2014/02/25	Charge	\$6,500,000	Memory Care Investments (Kitchener) Ltd.	MC Trustee (Kitchener) Ltd.
WR804323	2014/02/25	Transfer of Charge (re: WR804321)	N/A	MC Trustee (Kitchener) Ltd.	MC Trustee (Kitchener) Ltd. and Olympia Trust Company
WR811879	2014/04/17	Transfer of Charge (re: WR804321)	N/A	MC Trustee (Kitchener) Ltd.	MC Trustee (Kitchener) Ltd. and Olympia Trust Company
WR881066	2015/05/15	Notice	\$2	Memory Care Investments (Kitchener) Ltd.	MC Trustee (Kitchener) Ltd. and Olympia Trust Company
WR881070	2015/05/15	Transfer of Charge (re: WR804321)	N/A	MC Trustee (Kitchener) Ltd.	MC Trustee (Kitchener) Ltd. and Olympia Trust Company
WR972175	2016/11/03	Transfer of Charge (re: WR804321)	N/A	MC Trustee (Kitchener) Ltd. and Olympia Trust Company	MC Trustee (Kitchener) Ltd. and Olympia Trust Company
WR992636	2016/11/03	Application Court Order	N/A	Ontario Superior Court of Justice	Grant Thornton Limited
WR1029028	2017/05/03	Application Court Order	N/A	Ontario Superior Court of Justice	KSV Kofman Inc.
WR1030021	2017/05/05	Charge	\$1,475,000	Memory Care Investments (Kitchener) Inc.	Marshallzehr Group Inc.

- 2 -

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
WR1047910	2017/07/14	Transfer of Charge (re: WR804321)	N/A	Olympia Trust Company	MC Trustee (Kitchener) Ltd.

SCHEDULE "D"
PERMITTED ENCUMBRANCES

None.

**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 Authority or regulated utility;
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 Property or any part thereof, or materially impair the value thereof;
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

None.

**SCHEDULE C
LEGAL DESCRIPTION OF LANDS**

PIN 22507-0109 (LT)

169 Borden Avenue North, Kitchener, Ontario

LT 6 PL 655 KITCHENER; KITCHENER

TAB C

Appendix “C”

WAIVER AND AMENDING AGREEMENT

THIS AGREEMENT is made as of the 9th day of October, 2018.

BETWEEN:

KSV KOFMAN INC.

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

(hereinafter referred to as the "Receiver")

- and -

VIVE DEVELOPMENT CORPORATION

(hereinafter referred to as the "Purchaser")

WHEREAS:

- A. pursuant to an agreement of purchase and sale dated August 10, 2018 between the Receiver and the Purchaser (the "Purchase Agreement"), the Purchaser agreed to purchase, and the Receiver agreed to sell, the Purchased Assets as defined therein upon the terms and subject to the conditions contained therein; and
- B. the Parties have agreed to amend certain provisions of the Purchase Agreement as hereinafter provided.

NOW THEREFORE THIS AGREEMENT WITNESSETH that the Parties, in consideration of the mutual covenants contained herein and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties), agree as follows:

1. **Defined Terms**

Unless otherwise defined or modified in this Agreement, any capitalized terms used herein shall have the meanings attributed thereto in the Purchase Agreement.

2. **Amendments**

The Receiver and the Purchaser covenant and agree that the Purchase Agreement shall be amended as follows:

- (a) Section 8.3(g) of the Purchase Agreement is hereby amended by renumbering it as Section 8.3(g)(i). Any reference in the Purchase Agreement to Section 8.3(g) shall be read as reference to Section 8.3(g)(i);

- (b) Applying the amendment in Section 2(a) of this Agreement, Section 8.3 of the Purchase Agreement is hereby further amended by adding the following as a new Section 8.3(g)(ii):

8.3(g)(ii) on or before November 9, 2018 the Purchaser shall have received a clear phase I environmental site assessment which does not recommend a phase II environmental site assessment, or, a clear phase II environmental site assessment which does not recommend further environmental investigation of the Real Property which is satisfactory to the Purchaser in its sole, absolute and subjective discretion. The Purchaser hereby covenants and agrees to use its best efforts to satisfy this condition on or before November 9, 2018 and shall continually keep the Receiver advised of its progress with respect thereto.

- (c) Section 8.4 of the Purchase Agreement is hereby amended by adding ", November 9, 2018" after the words "on or prior to the Due Diligence Date".

- (d) Section 8.4 of the Purchase Agreement is hereby further amended by adding the following as a new Section 8.4(d):

8.4(d) In the event the condition set forth in Section 8.3(g)(ii) is not satisfied or waived as therein provided on or before November 9, 2018, this Agreement shall be terminated, null and void and of no further force or effect whatsoever and no party to this Agreement shall have a claim against any other party hereto with respect to this Agreement other than the return of the Deposit to the Purchaser. If by 5:00 p.m. on November 9, 2018, the Purchaser has not given Notice to the Vendor or its solicitors that the condition set forth in Section 8.3(g)(ii) has not been satisfied or has been satisfied or has been waived, such condition shall be deemed not to have been satisfied or waived.

3. Waiver of Purchaser Condition

The Purchaser hereby irrevocably waives the conditions in Section 8.3(g)(i) of the Purchase Agreement. This Section 3 shall satisfy the requirement in Section 8.4(c) of the Purchase Agreement to deliver Notice to the Vendor or its solicitors that the conditions in Section 8.3(g)(i) of the Purchase Agreement have been waived or satisfied by the Purchaser on or before the Due Diligence Date.

4. Continuation

The Purchase Agreement, except as amended by this Agreement, shall continue in full force and effect and is hereby confirmed by the Parties.

5. **Enurement**

This Agreement shall enure to the benefit of and be binding upon the Parties and their successors and permitted assigns.

6. **Execution and Counterparts**

This Agreement may be executed by the parties in separate counterparts, each of which, after so executed and delivered, shall be deemed to constitute an original, but all of which together shall constitute one and the same agreement. This Agreement may be delivered by facsimile or other form of electronic transmission.

7. **Further Assurances**

Each Party shall do all such further acts, and execute and deliver all such further documents as shall be reasonably required in order to fully and effectually perform and carry out the terms and intention of this Agreement.

8. **Governing Law**

This Agreement shall be deemed to be a contract made and shall be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

-- signatures follow on next page --

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date above written.

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

By:



Name: *Noah Goldstein*

Title: *Managing Director*

VIVE DEVELOPMENT CORPORATION

By:


Name:
Title:

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date above written.

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

By: _____
Name:
Title:

VIVE DEVELOPMENT CORPORATION

By:  _____
Name: Stephen Litt
Title: President

TAB D

Appendix “D”

WAIVER AND AMENDING AGREEMENT

THIS AGREEMENT is made as of the 9th day of November, 2018.

BETWEEN:

KSV KOFMAN INC.

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

(hereinafter referred to as the “Receiver”)

- and -

VIVE DEVELOPMENT CORPORATION

(hereinafter referred to as the “Purchaser”)

WHEREAS:

- A. pursuant to an agreement of purchase and sale dated August 10, 2018 between the Receiver and the Purchaser and the Waiver and Amending Agreement dated October 9, 2018 (collectively the “Purchase Agreement”), the Purchaser agreed to purchase, and the Receiver agreed to sell, the Purchased Assets as defined therein upon the terms and subject to the conditions contained therein; and
- B. the Parties have agreed to amend certain provisions of the Purchase Agreement as hereinafter provided.

NOW THEREFORE THIS AGREEMENT WITNESSETH that the Parties, in consideration of the mutual covenants contained herein and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties), agree as follows:

1. Defined Terms

Unless otherwise defined or modified in this Agreement, any capitalized terms used herein shall have the meanings attributed thereto in the Purchase Agreement.

2. Amendments

The Receiver and the Purchaser covenant and agree that the Purchase Agreement shall be amended as follows:

- (a) The Closing Date set out in Section 1.1 of the Purchase Agreement is hereby amended to December 15, 2018.

- (b) The Purchase Price for the Purchased Assets set out in Section 4.1 of the Purchase Agreement is hereby amended to [REDACTED]
- (c) The Receiver agrees to provide an Assignment of the Purchase Agreement to "169 Borden Inc." in the form attached hereto as Schedule "A", which may be signed in counterparts.

3. **Waiver of Purchaser Condition**

The Purchaser hereby irrevocably waives the condition in Section 8.3(g)(ii) of the Purchase Agreement. This Section 3 shall satisfy the requirement in Section 8.4(d) of the Purchase Agreement to deliver Notice to the Vendor or its solicitors that the condition in Section 8.3(g)(ii) of the Purchase Agreement have been waived or satisfied by the Purchaser on or before the Due Diligence Date.

4. **Continuation**

The Purchase Agreement, except as amended by this Agreement, shall continue in full force and effect and is hereby confirmed by the Parties.

5. **Enurement**

This Agreement shall enure to the benefit of and be binding upon the Parties and their successors and permitted assigns.

6. **Execution and Counterparts**

This Agreement may be executed by the parties in separate counterparts, each of which, after so executed and delivered, shall be deemed to constitute an original, but all of which together shall constitute one and the same agreement. This Agreement may be delivered by facsimile or other form of electronic transmission.

7. **Further Assurances**

Each Party shall do all such further acts, and execute and deliver all such further documents as shall be reasonably required in order to fully and effectually perform and carry out the terms and intention of this Agreement.

8. **Governing Law**


This Agreement shall be deemed to be a contract made and shall be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date above written.

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

By: _____
Name:
Title:

VIVE DEVELOPMENT CORPORATION

By:  _____
Name: Stephen Litt
Title: President

SCHEDULE "A"

CONSENT TO ASSIGNMENT OF AGREEMENT OF PURCHASE AND SALE

BETWEEN:

KSV KOFMAN INC.

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

hereinafter called "KSV"

- and -

VIVE DEVELOPMENT CORPORATION

hereinafter called "Vive"

WHEREAS by an Agreement of Purchase and Sale dated the 10th day of August, 2018, Vive agreed to purchase from KSV the lands and premises municipally known as 169 Borden Avenue North, Kitchener, Ontario (the "Agreement");

AND WHEREAS Vive has agreed to assign to 169 Borden Inc. (hereinafter called "169") all of its right, title and interest in the said Agreement and Vive has agreed to assume the obligations of 169 under the said Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of Two Dollars (\$2.00), the receipt and sufficiency of which is hereby acknowledged, and other good and valuable consideration:

1. KSV by this instrument does hereby consent to the Assignment of the Agreement from Vive to 169.
2. Vive acknowledges and agrees that it shall not be released from any and all obligations and liabilities under the Agreement until after the closing of the transaction.

DATED at _____, Ontario this _____ day of November, 2018.

KSV KOFMAN INC.

Per: _____

I have the authority to bind the Corporation.

DATED at Kitchener, Ontario this 9th day of November, 2018.

VIVE DEVELOPMENT CORPORATION

Per:  _____

Stephen Litt

I have the authority to bind the Corporation.

TAB E

Appendix “E”

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 November 20, 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, 2018, KSV was appointed as the receiver and manager ("Receiver") of the real property ("Real Property") registered on title as being owned by Memory Care Investments (Kitchener) Ltd. (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 November 20, 2018, the Receiver finalized its Fourteenth 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 October 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 20th day of November, 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 20th DAY OF NOVEMBER, 2018



A Commissioner for taking Affidavits, etc.

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



ksv advisory inc.
 150 King Street West, Suite 2308
 Toronto, Ontario, M5H 1J9
 T - 1 416 932 6262
 F - 1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
 c/o KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, Ontario M5H 1J9

July 6, 2017

Invoice No: 584
 HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (the "Company")

For professional services rendered during the period April 13, 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 MC Trustee (Kitchener) Ltd. ("MC Kitchener Trustee"), 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 169 Borden Avenue in Kitchener (the "Kitchener 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 Kitchener 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 for 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 HUB International Limited to obtain proof of insurance for the Kitchener Property;
- Corresponding with Tert & Ross Ltd., a contractor, to: (i) conduct an inspection of the Kitchener Property; and (ii) coordinate the removal of garbage and repair a fence on the Kitchener Property;
- Reviewing photos and video of the Kitchener Property taken by Tert & Ross Ltd.;
- Corresponding with the City of Kitchener, 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 Kitchener Property, including:
 - Appraisals;
 - Financial information;
 - Plans and drawings;
 - Municipal permits;
 - Environmental reports; and
 - Market studies.
- Reviewing a title search on the Kitchener 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 November 15, 2013 to March 31, 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 November 15, 2013 to March 31, 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 to professionals;
- 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 Kitchener 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	\$ 33,336.03
HST	<u>4,333.68</u>
Total	<u>\$ 37,669.71</u>

KSV Kofman Inc.
Master Care Investments (Kitchener) Ltd.
Time Summary
For the period May, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	14.77	10,265.15
Noah Goldstein	500	25.10	12,550.00
Andrew Edwards	425	8.64	3,672.00
Adam Zeldin	425	14.20	6,035.00
Other Staff and Administration			491.50
Subtotal			33,013.65
Out of pocket disbursements			322.38
Total Fees and Disbursements			33,336.03



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

July 13, 2017

Invoice No: 600
HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (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 MC Trustee (Kitchener) 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 169 Borden Avenue in Kitchener (the "Kitchener Property");
- Corresponding with MarshallZehr Group Inc. ("MZG") regarding a loan facility secured against the Kitchener Property (the "Loan");
- Dealing with Chaitons LLP ("Chaitons"), representative legal counsel to Syndicated Mortgage Investors ("Investors");
- 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;

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;
- 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 receipts and disbursements of the Company 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 by 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 numerous 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	\$ 13,939.63
HST	<u>1,812.15</u>
Total	<u>\$ 15,751.78</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period June 1 to 30, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	6.35	4,413.25
Noah Goldstein	500	14.36	7,180.00
Andrew Edwards	425	4.93	2,095.25
Other Staff and Administration			200.00
Subtotal			<u>13,888.50</u>
Out of pocket disbursements			51.13
Total Fees and Disbursements			<u><u>13,939.63</u></u>

**ksv advisory inc.**

150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
T +1 416 932 6262
F +1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

August 15, 2017

Invoice No: 639
HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (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 the Court-appointed trustee of MC Trustee (Kitchener) 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 169 Borden Avenue in Kitchener (the "Kitchener 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, regarding 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	\$	12,333.50
HST		<u>1,603.36</u>
Total	\$	<u>13,936.86</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period July 1 to 31, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	4.80	3,336.00
Noah Goldstein	500	7.74	3,870.00
Jonathan Joffe	450	4.92	2,214.00
Andrew Edwards	425	1.70	722.50
Eli Brenner	425	4.17	1,772.25
Other Staff and Administration			418.75
Subtotal			<u>12,333.50</u>
Out of pocket disbursements			-
Total Fees and Disbursements			<u><u>12,333.50</u></u>



ksv advisory inc.
 150 King Street West, Suite 2308
 Toronto, Ontario, M5H 1J9
 T +1 416 932 6262
 F +1 416 932 6266

 ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
 c/o KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, Ontario M5H 1J9

September 15, 2017

Invoice No: 662
 HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (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 MC Trustee (Kitchener) 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 169 Borden Avenue in Kitchener (the "Kitchener 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.

Litigation Matters

- Reviewing the Affidavit of John Davies sworn July 27, 2017 (the "Davies Affidavit");

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 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* dated August 31, 2017 against the Defendants;
- 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;
- 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	\$	19,900.00
HST		<u>2,587.00</u>
Total	\$	<u>22,487.00</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period ending August 31, 2017

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Robert Kofman	695	9.20	6,394.00
Noah Goldstein	500	17.98	8,990.00
Other Staff and Administration		10.74	4,516.00
Total Fees and Disbursements			<u>19,900.00</u>



ksv advisory Inc.
 150 King Street West, Suite 2308
 Toronto, Ontario, M5H 1J9
 T +1 416 932 6262
 F +1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
 c/o KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, Ontario M5H 1J9

October 12, 2017

Invoice No: 691
 HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (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 MC Trustee (Kitchener) 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 169 Borden Avenue in Kitchener (the "Kitchener 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

- 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	\$	6,205.50
HST		806.72
Total	\$	<u>7,012.22</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period ending September 30, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	3.40	2,363.00
Noah Goldstein	500	7.51	3,755.00
Other Staff and Administration		0.51	87.50
Total Fees and Disbursements			<u>6,205.50</u>

**ksv advisory inc.**

150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
T +1 416 932 6262
F +1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

November 14, 2017

Invoice No: 725
HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (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 MC Trustee (Kitchener) 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 169 Borden Avenue in Kitchener (the "Kitchener Property");
- Dealing with Chailons LLP ("Chailons"), representative legal counsel to Syndicated Mortgage Investors concerning these proceedings;
- Paying receivership expenses;
- Corresponding with MarshallZehr Group Inc. ("MZG"), a secured lender of the Company, regarding increasing its loan to fund the receivership proceedings;

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 information requested by MZG, including a schedule of receipts and disbursements; and
- Posting motion and litigation materials on the Receiver's website.

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 on 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, 7, 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 MZG 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;
- 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	\$ 7,406.50
HST	<u>962.40</u>
Total	<u>\$ 8,369.34</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period ending October 31, 2017

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Robert Kofman	695	3.70	2,571.50
Noah Goldstein	500	9.64	4,820.00
Other Staff and Administration		0.10	15.00
Total Fees and Disbursements			<u>7,406.50</u>



kvs advisory inc.
 150 King Street West, Suite 2308
 Toronto, Ontario, M5H 1J9
 T +1 416 932 6262
 F +1 416 932 6268

 ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
 c/o KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, Ontario M5H 1J9

December 8, 2017

Invoice No: 748
 HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (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 MC Trustee (Kitchener) 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 169 Borden Avenue in Kitchener (the "Kitchener Property");
- Dealing with Chaitons LLP ("Chaitons"), representative legal counsel to Syndicated Mortgage Investors concerning these proceedings;
- Paying receivership expenses;
- 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 Kitchener Property, regarding the Strategic Process, including attending telephone calls on November 3, 10, 15, 16, 27, 29 and 30, 2017;
- Reviewing a memorandum prepared by Dales Consulting regarding re-zoning the Kitchener Property;
- Preparing an e-mail dated November 14, 2017 to the Trustee, A&B and Chaitons to provide an update on the Strategic Process;
- Corresponding with parties interested in purchasing the Kitchener 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	\$ 8,830.75
HST	1,147.99
Total	<u>\$ 9,978.74</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period ending November 30, 2017

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Robert Kofman	695	5.85	4,065.75
Noah Goldstein	500	9.53	4,765.00
Total Fees and Disbursements			<u>8,830.75</u>



ksv advisory inc.
150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
T +1 416 932 6262
F +1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

January 10, 2018

HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (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 MC Trustee (Kitchener) 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 169 Borden Avenue in Kitchener (the "Kitchener Property");
- Dealing with Chaitons LLP, 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 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 Kitchener 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	\$ 9,659.81
HST	<u>1,255.78</u>
Total	<u>\$ 10,915.59</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period ending December 31, 2017

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Robert Kofman	695	4.55	3,162.25
Noah Goldstein	500	6.01	3,005.00
Other Staff and Administration		2.55	975.00
Subtotal			<u>7,142.25</u>
Out of pocket disbursements			<u>2,517.56</u>
Total Fees and Disbursements			<u><u>9,659.81</u></u>



ksv advisory inc.
 150 King Street West, Suite 2308
 Toronto, Ontario, M5H 1J9
 T - 1 416 932 6262
 F - 1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
 c/o KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, Ontario M5H 1J9

February 14, 2018

Invoice No: 819
 HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (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 MC Trustee (Kitchener) 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 and 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 169 Borden Avenue in Kitchener (the "Kitchener Property"), regarding a sale and development process for the Kitchener 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 Kitchener Property and the real property owned by 1703858 Ontario Inc., 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;
- Corresponding with another party interested in purchasing the Kitchener Property, including attending calls on January 24, 25 and 26, 2018;
- Convening internal meetings; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$	5,648.00
HST		734.24
Total	\$	<u>6,382.24</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period ending January 31, 2018

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Robert Kofman	700	3.10	2,170.00
Noah Goldstein	550	4.76	2,618.00
Other Staff and Administration		2.15	860.00
Total Fees			<u>5,648.00</u>

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



ksv advisory inc.
 150 King Street West, Suite 2308
 Toronto, Ontario, M5H 1J9
 T +1 416 932 6262
 F +1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
 c/o KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, Ontario M5H 1J9

March 20, 2018

Invoice No: 850
 HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (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 Bennett Jones regarding a decision by the Divisional Court granting John Davies' motion for leave to appeal the Mareva injunction;
- Corresponding with Grant Thornton Limited ("Trustee"), in its capacity as the Court-appointed trustee of MC Trustee (Kitchener) 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");

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.

- Executing Minutes of Settlement on February 16, 2018 in connection with the Settlement Agreement;
- 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 169 Borden Avenue in Kitchener (the "Kitchener Property"), regarding a sale and development process for the Kitchener 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 for the Kitchener Property, including attending calls and emails on February 2, 5, 6, 8, 14, 16, 21 and 22, 2018;
- Convening internal meetings; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$ 6,085.50
HST	<u>791.12</u>
Total	<u>\$ 6,876.62</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the month ending February, 2018

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Robert Kofman	700	2.85	1,995.00
Noah Goldstein	550	7.41	4,075.50
Other Staff and Administration		0.10	15.00
Total Fees			<u>6,085.50</u>



ksv advisory inc.
 150 King Street West, Suite 2308
 Toronto, Ontario, M5H 1J9
 T +1 416 932 6262
 F +1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
 c/o KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, Ontario M5H 1J9

April 9, 2018

Invoice No: 876
 HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (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 MC Trustee (Kitchener) 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 169 Borden Avenue in Kitchener (the "Kitchener Property"), regarding a sale and development process for the Kitchener Property, 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 Kitchener Property, including emails on March 13, 15, 28 and 29, 2018;
- Convening internal meetings; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$ 2,573.50
HST	<u>334.55</u>
Total	<u>\$ 2,908.05</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period ending March 31, 2018

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Robert Kofman	700	1.45	1,015.00
Noah Goldstein	550	2.47	1,358.50
Other Staff and Administration		0.50	200.00
Total Fees			<u>2,573.50</u>



ksv advisory inc.
 150 King Street West, Suite 2308
 Toronto, Ontario, M5H 1J9
 T +1 416 932 6262
 F +1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
 c/o KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, Ontario M5H 1J9

May 30, 2018

Invoice No: 917
 HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (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 MC Trustee (Kitchener) 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 169 Borden Avenue in Kitchener (the "Kitchener Property"), regarding a sale and development process for the Kitchener Property, including attending calls and emails on April 7, 10, 17 and 24, 2018;
- Corresponding with a party interested in completed a transaction for the Kitchener Property, including emails and calls on April 5, 9, 25 and 27, 2018;
- Convening internal meetings; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$ 5,921.50
HST	<u>769.80</u>
Total	<u>\$ 6,691.30</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period ending April 30, 2018

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Robert Kofman	700	3.25	2,275.00
Noah Goldstein	550	6.63	3,646.50
Total Fees			<u>5,921.50</u>

**kSV advisory inc.**

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
 c/o KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, Ontario M5H 1J9

July 31, 2018

HST #: 818808768RT0001

Re: **Memory Care Investments (Kitchener) Ltd. (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, including:

Litigation and Investigative 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 MC Kitchener Trustee 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;

Other

- Corresponding with Colliers International, the listing broker for the Company's real property located at 169 Borden Avenue Avenue in Burlington (the "Burlington Property"), throughout the period regarding a sale and development process for the Burlington Property (the "Strategic Process");
- 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	\$	6,101.00
HST		<u>793.13</u>
Total	\$	<u>6,894.13</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period May 1, 2018 to June 30, 2018

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	700	4.35	3,045.00
Noah Goldstein	550	4.50	2,475.00
Other Staff and Administration		1.79	581.00
Total Fees and Disbursements			<u>6,101.00</u>



ksv advisory inc.
150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
T +1 416 932 6262
F +1 416 932 6266

ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

September 10, 2018

HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (the "Company")

For professional services rendered for the period July 1, 2018 to August 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 & Berfs 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;

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 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");
- 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;
- Reviewing and commenting on several versions of an Amended Statement of Claim;
- Attending a call on August 9, 2018 with Bennett Jones to discuss the Amended Statement of Claim;
- Corresponding with Davies Ward Phillips & Vineberg LLP ("DWPV"), counsel to Raj Singh, regarding, *inter alia*, Mr. Singh's involvement with the Company;
- Attending a call on August 9, 2018 regarding one of the Company's former principals (the "August 9th Call");
- Preparing a summary of the August 9th Call and sending same to the Trustee, A&B, Chaitons and Bennett Jones;
- Attending a meeting on August 14, 2018 at DWPV with Mr. Singh, Bennett Jones, A&B and the Trustee;
- Reviewing the Affidavit of John Davies sworn on August 17, 2018 regarding a further exemption for living expenses under the Mareva injunction;
- Reviewing information provided on August 20, 2018 by DWPV in response to questions about its client prepared by the Receiver and the Trustee;

- Reviewing an offer received by Mr. Davies for his home and discussing same with Bennett Jones;
- Attending a call on August 29, 2018 with Bennett Jones and Dentons LLP, counsel to John Davies, regarding a property owned by the Davies Family Trust in Arizona;
- Reviewing a report (the "Altus Report") prepared by Altus regarding appraisals prepared in connection with obtaining financing for the real property purchased by the Company;
- Discussing the Altus Report with Bennett Jones;

Other

- Corresponding with Colliers International, the listing broker for the Company's real property located at 169 Borden Avenue Avenue in Kitchener (the "Kitchener Property"), throughout the period regarding a sale and development process for the Kitchener Property (the "Strategic Process");
- Reviewing and commenting on several versions of an Agreement of Purchase and Sale from the Purchaser for the Kitchener Property (the "APS");
- Discussing the APS internally and with Bennett Jones;
- Executing the APS on August 10, 2018;
- Corresponding with Marshall Zehr Group Inc., a secured lender to the Company, and the Trustee, regarding 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	\$ 15,672.18
HST	<u>2,037.38</u>
Total	<u>\$ 17,709.56</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period July 1, 2018 to August 31, 2018

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Robert Kofman	700	5.90	4,130.00
Noah Goldstein	550	18.89	10,389.68
Other Staff and Administration		2.95	1,152.50
Total Fees and Disbursements			<u>15,672.18</u>



ksv advisory inc.
 150 King Street West, Suite 2308
 Toronto, Ontario, M5H 1J9
 T +1 416 932 6262
 F +1 416 932 6266

 ksvadvisory.com

INVOICE

Memory Care Investments (Kitchener) Ltd.
 c/o KSV Kofman Inc.
 150 King Street West, Suite 2308
 Toronto, ON M5H 1J9

November 16, 2018

HST #: 818808768RT0001

Re: Memory Care Investments (Kitchener) Ltd. (the "Company")

For professional services rendered for the period September 1, 2018 to October 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 the Trustee, A&B and Chaitons LLP ("Chaitons"), representative counsel to the investors of the syndicated mortgage investments, regarding amendments to the Statement of Claim;
- Reviewing and commenting on several versions of an Amended Statement of Claim;
- Attending a call on September 4, 2018 with Bennett Jones to discuss the Amended Statement of Claim;
- Attending a call on September 4, 2018 with Bennett Jones, Chaitons, A&B and the Trustee to discuss 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.

- Attending a meeting on September 5, 2018 with the Trustee to review supporting documentation for the Amended Statement of Claim;
- Attending a call on September 17, 2018 with Bennett Jones to discuss certain amendments to the Amended Statement of Claim;
- Attending a call on September 20, 2018 with the Trustee to discuss the Amended Statement of Claim;
- Attending a call on September 26, 2018 with A&B and Bennett Jones to discuss the Amended Statement of Claim;
- Attending a meeting on September 28, 2018 with the Trustee to review additional support for the Amended Statement of Claim;
- Corresponding with Davies Ward Phillips & Vineberg LLP, counsel to Raj Singh;
- Issuing an Amended Statement of Claim on October 2, 2018;
- Reviewing correspondence sent on October 5, 2018 from David Franklin;
- Reviewing and commenting on correspondence sent by the Trustee to syndicated mortgage investors in connection with Amended Statement of Claim;
- Reviewing correspondence sent to Bennett Jones from several defendants in the Amended Statement of Claim;
- Reviewing correspondence from Dentons LLP ("Dentons"), counsel to John Davies, regarding the Arizona property;
- Reviewing a motion for fresh evidence filed by Dentons on October 12, 2018 in connection with the Maerva injunction (the "Fresh Evidence Motion");
- Reviewing and commenting on responding materials to the Fresh Evidence Motion prepared by Bennett Jones;
- Corresponding extensively with Bennett Jones regarding the potential sale of the Arizona property and next steps in the litigation;
- Attending a call on October 21, 2018 with Bennett Jones regarding the potential sale of the Arizona property;

Other

- Corresponding with Colliers International, the listing broker for the Company's real property located at 169 Borden Avenue Avenue in Kitchener (the "Kitchener Property"), throughout the period regarding a sale and development process for the Kitchener Property ;
- Dealing with a Waiver and Amending Agreement in connection with a transaction to sell the Kitchener Property (the "Transaction");


- Corresponding with Marshall Zehr Group Inc., a secured lender to the Company, and the Trustee, regarding the Transaction;
- 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	\$	6,708.17
HST		<u>872.06</u>
Total	\$	<u>7,580.23</u>

KSV Kofman Inc.
Memory Care Investments (Kitchener) Ltd.
Time Summary
For the period September 1, 2018 to October 31, 2018

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Robert Kofman	700	4.40	3,080.00
Noah Goldstein	550	6.60	3,628.17
Total Fees and Disbursements			<u>6,708.17</u>

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KOFMAN
SWORN BEFORE ME THIS 20th DAY OF NOVEMBER, 2018



A Commissioner for taking Affidavits, etc.

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

Memory Care Investments (Kitchener) Ltd.
 Schedule of Professionals' Time and Rates
 For the Period from May 1, 2017 to October 31, 2018

Personnel	Title	Duties	Hours	Billing Rate (\$ per hour)	Amount (\$)
Robert Kofman	Managing Director	Overall responsibility	77.92	695 / 700	54,280.90
Noah Goldstein	Managing Director	All aspects of mandate	149.13	500 / 550	77,126.35
Andrew Edwards	Manager	Investigative Aspects	15.27	425	6,489.75
Other staff and administrative			51.95	100-450	19,533.50
Total fees					<u>157,430.50</u>
Total hours					294.27
Average hourly rate					\$ 534.99

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

TAB F

Appendix “F”

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

FEE AFFIDAVIT

I, **SEAN H. ZWEIG**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a partner at Bennett Jones LLP ("**Bennett Jones**") who has had primary carriage of this file, and as such have knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters discussed in this Affidavit, I have informed myself by review of the relevant background documents and facts.
2. Bennett Jones is counsel to KSV Kofman Inc., in its capacity as the Court-appointed receiver and manager of certain property of Memory Care Investments (Kitchener) Ltd. in this proceeding (the "**Receiver**").

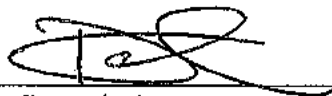
3. Bennett Jones has prepared the following Statements of Account in connection with its role as counsel to the Receiver:

- (a) Account dated May 9, 2017 in the amount of \$7,241.63 (including harmonized sales tax ("HST")) in respect of the period from April 14, 2017 to April 30, 2017 (a copy of which is attached as Exhibit "A");
- (b) Account dated June 8, 2017 in the amount of \$22,600.08 (including HST) in respect of the period from May 1, 2017 to May 31, 2017 (a copy of which is attached as Exhibit "B");
- (c) Account dated July 12, 2017 in the amount of \$28,095.81 (including HST) in respect of the period from June 1, 2017 to June 30, 2017 (a copy of which is attached as Exhibit "C"); and
- (d) Account dated August 10, 2017 in the amount of \$16,998.62 (including HST) in respect of the period from July 1, 2017 to July 31, 2017 (a copy of which is attached as Exhibit "D");
- (e) Account dated September 12, 2017 in the amount of \$23,498.47 (including HST) in respect of the period from August 1, 2017 to August 31, 2017 (a copy of which is attached as Exhibit "E");
- (f) Account dated October 11, 2017 in the amount of \$8,126.40 (including HST) in respect of the period from September 1, 2017 to September 30, 2017 (a copy of which is attached as Exhibit "F");
- (g) Account dated November 16, 2017 in the amount of \$373.61 (including HST) in respect of the period from October 1, 2017 to October 31, 2017 (a copy of which is attached as Exhibit "G");
- (h) Account dated December 19, 2017 in the amount of \$3,614.49 (including HST) in respect of the period from November 1, 2017 to November 30, 2017 (a copy of which is attached as Exhibit "H");
- (i) Account dated December 31, 2017 in the amount of \$3,653.64 (including HST) in respect of the period from December 1, 2017 to December 31, 2017 (a copy of which is attached as Exhibit "I");
- (j) Account dated February 8, 2018 in the amount of \$3,260.78 (including HST) in respect of the period from January 1, 2018 to January 31, 2018 (a copy of which is attached as Exhibit "J");
- (k) Account dated March 8, 2018 in the amount of \$3,292.12 (including HST) in respect of the period from February 1, 2018 to February 28, 2018 (a copy of which is attached as Exhibit "K");

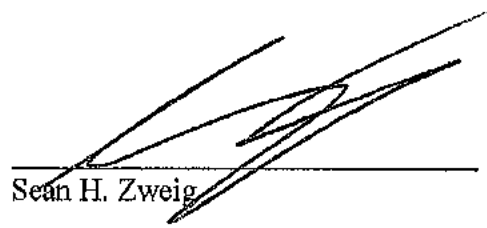
- (l) Account dated April 10, 2018 in the amount of \$6,642.79 (including HST) in respect of the period from March 1, 2018 to March 31, 2018 (a copy of which is attached as Exhibit "L");
 - (m) Account dated July 11, 2018 in the amount of \$11,268.59 (including HST) in respect of the period from April 1, 2018 to April 30, 2018 (a copy of which is attached as Exhibit "M");
 - (n) Account dated July 11, 2018 in the amount of \$6,400.65 (including HST) in respect of the period from May 1, 2018 to May 31, 2018 (a copy of which is attached as Exhibit "N");
 - (o) Account dated July 24, 2018 in the amount of \$2,480.00 (including HST) in respect of the period from June 1, 2018 to June 30, 2018 (a copy of which is attached as Exhibit "O");
 - (p) Account dated August 15, 2018 in the amount of \$3,939.18 (including HST) in respect of the period from July 1, 2018 to July 31, 2018 (a copy of which is attached as Exhibit "P");
 - (q) Account dated September 14, 2018 in the amount of \$6,938.48 (including HST) in respect of the period from August 1, 2018 to August 31, 2018 (a copy of which is attached as Exhibit "Q");
 - (r) Account dated October 10, 2018 in the amount of \$8,476.45 (including HST) in respect of the period from September 1, 2018 to September 30, 2018 (a copy of which is attached as Exhibit "R");
 - (s) Account dated November 7, 2018 in the amount of \$7,540.73 (including HST) in respect of the period from October 1, 2018 to October 31, 2018 (a copy of which is attached as Exhibit "S").
4. Attached hereto and marked as Exhibit "T" is a chart detailing the hourly rates and the time expended by the various professionals at Bennett Jones who have worked on this matter.
5. The total legal fees and disbursements (including HST) billed by Bennett Jones to October 31, 2018 in connection with its role as counsel to the Receiver is \$174,442.52. To the best of my knowledge, the rates charged by Bennett Jones are comparable to the rates charged for the provision of services of a similar nature and complexity by other large legal firms in the Toronto market.

6. This Affidavit is made in support of approval of the fees and disbursements of Bennett Jones as counsel to the Receiver, and for no other or improper purpose.

SWORN before me at the City of Toronto,)
in the Province of Ontario,)
this 20th day of November, 2018)



A Commissioner, etc.



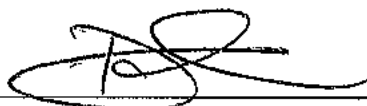
Sean H. Zweig

THIS IS EXHIBIT "A" REFERRED TO IN THE

AFFIDAVIT OF SEAN H. ZWEIG

SWORN

THE 20th DAY OF NOVEMBER, 2018

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

A Commissioner for taking affidavits, etc.

KSV KOFMAN INC.
150 KING STREET WEST
SUITE 2308
TORONTO, ON M5H 1J9

Attention: **MR. BOBBY KOFMAN**
MANAGING DIRECTOR AND PRESIDENT

Re: MEMORY CARE INVESTMENTS (KITCHENER) LTD.
Our File Number: 074735.00007

Date: May 9, 2017
Invoice: 1173403

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	6,276.07
Other Charges		67.50
Disbursements		64.95
Total Due before GST/HST	\$	<u>6,408.52</u>
GST/HST	\$	833.11
TOTAL Due in CAD	\$	<u><u>7,241.63</u></u>

Due upon receipt. Bennett Jones LLP reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices after 30 days.
We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at www.bennettjones.com or contact our Privacy Officer
by visiting our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119348757

May 9, 2017
Page 2Client: 074735.00007
Invoice No.: 1173403

Date	Lawyer	Description	Hours
14/04/17	S. H. Zweig	Reviewing and commenting on draft Trustee's Report; Emails with B. Kofman regarding same; Reviewing and commenting on draft Order, Notice of Motion and Consent	0.38
15/04/17	S. H. Zweig	Discussion with B. Kofman regarding draft Order; Call with I. Aversa regarding same; Emails regarding hearing date; Reviewing revised draft of Report; Emails with B. Kofman and N. Goldstein	0.18
16/04/17	S. H. Zweig	Drafting Amended and Restated Order; Reviewing N. Goldstein summary of properties	0.37
16/04/17	P. K. Bell	Phone call with S. Zweig regarding receivership issues including provisions of amended and restated receivership order; Reviewing materials regarding same	0.07
17/04/17	P. K. Bell	Reviewing provisions of amended and restated receivership order; Discussing same with S. Zweig	0.03
17/04/17	S. H. Zweig	Discussion with J. van Gent regarding security opinion for 217 mortgage	0.10
17/04/17	S. H. Zweig	Finalizing changes to Amended and Restated Order; Emails with KSV regarding same, and revising same; Reviewing ancillary Order; Reviewing revised Orders and Notice of Motion	0.35
18/04/17	S. H. Zweig	Reviewing documents provided by lender in connection with 217 mortgage	0.40
18/04/17	S. H. Zweig	Reviewing and commenting on revised Consent; Reviewing and commenting on draft Second Report; Discussions with N. Goldstein; Reviewing revised draft of Report; Reviewing final motion record served	0.47
18/04/17	S. Mohamad	Pulling PINs and instruments; Preparing security opinions	2.40
19/04/17	S. Mohamad	Revising security opinions	0.53
19/04/17	J. D. van Gent	Reviewing and revising security opinion; Reviewing charge and related mortgage documents; Reviewing title subsearch, and PPSA search results; Reviewing corporate profile report; Office conference with S. Zweig to discuss content of security opinion	1.30
19/04/17	S. H. Zweig	Reviewing correspondence with Trisura; Emails with KSV; Call with I. Aversa; Call with N. Goldstein	0.10
20/04/17	P. K. Bell	Research and analysis regarding charges on property and potential application of PPSA; Reviewing and analyzing documents in respect of same; Discussing same with S. Zweig	0.37
21/04/17	S. H. Zweig	Reviewing and finalizing security opinion	0.50
21/04/17	S. H. Zweig	Call with N. Goldstein; Serving and filing Second Report; Emails with G. Benchetrit regarding same; Reviewing Supplement to Sixth Report of Trustee; Discussions with each of I. Aversa and N. Goldstein regarding same; Reviewing A. Slavens email with proposed revisions to Order; Emails regarding same	0.25

Date	Lawyer	Description	Hours
22/04/17	S. H. Zweig	Emails with B. Kofman regarding Tarion requested amendments to Order	0.03
24/04/17	S. H. Zweig	Emails with B. Kofman, A&B and A. Slavens regarding Tarion; Drafting rider for Report; Reviewing and commenting on Report; Call with A. Slavens and I. Aversa; Emails with G. Bencheirrit regarding Report; Reviewing revised draft Order and Notice of Motion; Emails in connection with same	0.32
25/04/17	S. H. Zweig	Reviewing letter from Davies, and emails regarding same	0.05
27/04/17	S. H. Zweig	Preparing for receivership motion; Reviewing Jewitt Affidavit; Discussions regarding same; Reviewing J. MacLellan email and considering same; Discussions with KSV and A&B regarding same; Reviewing and commenting on revised drafts of Orders and Notice of Motion; Discussion with A&B regarding same; Reviewing revised drafts of materials	0.43
28/04/17	S. H. Zweig	Attending at receivership motion; Reviewing correspondence with W. Simpson; Emails with B. Kofman; Emails with J. van Gent regarding registration of vesting order; Emails with N. Goldstein regarding two matters	0.63
29/04/17	S. H. Zweig	Reviewing discharge statements, and considering interest issue	0.20
29/04/17	S. H. Zweig	Reviewing correspondence with Investor Committee; Reviewing project summary from G. Bencheirrit	0.07
30/04/17	S. H. Zweig	Discussion with J. van Gent regarding section 17 of Mortgages Act; Discussion with M. Vaughn regarding same; Reviewing M. Vaughn research regarding same	0.40
30/04/17	S. H. Zweig	Reviewing correspondence with respect to access to books and records; Considering same and calls with each of P. Bell and N. Goldstein regarding same	0.17
30/04/17	M. P. Vaughan	Researching applicability of s. 17 Mortgage Act interest	2.24
30/04/17	P. K. Bell	Phone call with S. Zweig regarding receivership order provisions; Reviewing and analyzing same	0.07
Total Hours			12.51
Professional Services			\$ 6,276.07

Timekeeper	Hours	Rate
P. K. Bell	0.54	\$ 630.00
J. D. van Gent	1.30	740.00
S. H. Zweig	5.40	680.00
M. P. Vaughan	2.24	230.00
S. Mohamad	2.93	245.00

Other Charges

**Bennett
Jones**

May 9, 2017
Page 4

Client: 074735.00007
Invoice No.: 1173403

Printing Charges

	\$	67.50
Total Other Charges	\$	<u>67.50</u>

Disbursements

Land Titles

	\$	64.95
Total Disbursements		<u>64.95</u>

GST/HST \$ 833.11

TOTAL DUE \$ 7,241.63

KSV KOFMAN INC.
150 KING STREET WEST
SUITE 2308
TORONTO, ON M5H 1J9

Attention: **MR. BOBBY KOFMAN**
MANAGING DIRECTOR AND PRESIDENT

Re: MEMORY CARE INVESTMENTS (KITCHENER) LTD.
Our File Number: 074735.00007

Date: May 9, 2017
Invoice: 1173403

Remittance Statement

Professional Services	\$	6,276.07
Other Charges		67.50
Disbursements		64.95
Total Due before GST/HST	\$	<u>6,408.52</u>
GST/HST	\$	833.11
TOTAL Due in CAD	\$	<u>7,241.63</u>

Remit by Wire Transfer to:

Beneficiary Account Name: Bennett Jones LLP
Beneficiary Address: 4500, 855 - 2nd Street SW Calgary, AB T2P 4K7 Canada
Beneficiary Bank: Royal Bank of Canada
Bank Address: 339 - 8th Avenue SW Calgary, AB T2P 1C4 Canada
Account Details: Bank 003, Translt 00009, CAD Acct 172-581-1 or USD Acct 400-553-4
SWIFT Code: ROYCCAT2

Intermediary bank JP Morgan Chase Bank, New York
ABA: 021000021, SWIFT Code: CHASUS33

Please include the invoice number on the wire.
Email notification may be sent to: bennettjonesaft@bennettjones.com

Remit by Credit Card (Visa or MasterCard):

Call an Accounts Receivable Specialist at
(403) 298-3137 or (403) 298-3164 with
your credit card number, validation code
and expiry date.

Due upon receipt. Bennett Jones LLP reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices after 30 days.
We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at www.bennettjones.com or contact our Privacy Officer
by visiting our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346757

THIS IS EXHIBIT "B" REFERRED TO IN THE

AFFIDAVIT OF SEAN H. ZWEIG

SWORN

THE 20th DAY OF NOVEMBER, 2018



A Commissioner for taking affidavits, etc.

KSV KOFMAN INC.
150 KING STREET WEST
SUITE 2308
TORONTO, ON M5H 1J9

Attention: **MR. BOBBY KOFMAN**
MANAGING DIRECTOR AND PRESIDENT

Re: MEMORY CARE INVESTMENTS (KITCHENER) LTD.
Our File Number: 074735.00007

Date: June 8, 2017
Invoice: 1176606

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	19,375.65
Other Charges		286.17
Disbursements		316.45
Disbursements Incurred As Your Agent (Non-taxable)		24.64
Total Due before GST/HST	\$	<u>20,002.91</u>
GST/HST	\$	2,597.17
TOTAL Due in CAD	\$	<u><u>22,600.08</u></u>

Due upon receipt, Bennett Jones LLP reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices after 30 days.
We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at www.bennettjones.com or contact our Privacy Officer
by writing our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346767

June 8, 2017
Page 2

Client: 074735.00007
Invoice No.: 1176606

Date	Lawyer	Description	Hours
01/05/17	S. H. Zweig	Discussion with P. Bell regarding Mortgages Act issue; Discussions with N. Goldstein regarding same	0.20
01/05/17	P. K. Bell	Reviewing and analyzing materials and case law on potential applicability of section 17 of the Mortgages Act and related issues; Discussing same with S. Zweig; Phone call with M. Vaughan to discuss research issues	0.90
01/05/17	M. P. Vaughan	Researching applicability of s. 17 Mortgage Act interest	1.00
01/05/17	N. K. McNeillage	Reviewing court order; Telephone conversation with S. Zweig relating to registration of court order; Instructions to A. Terpoy to draft court orders	0.08
01/05/17	J. D. van Gent	Email from S. Zweig forwarding court order and requesting registration of same against title to various properties subject to the court order; Reviewing court order; Office conference and emails to and from N. McNeillage concerning preparation of necessary e-reg. modules to register same	0.10
01/05/17	A. Terpoy-Heinemann	Drafting application to register court order e-Reg form in five various LRO's and corresponding A&D	0.27
01/05/17	S. H. Zweig	Emails regarding accessing books and records; Calls with N. Goldstein; Drafting court materials for motion to amend Order and finalizing/serving same	0.57
02/05/17	S. H. Zweig	Attending at 9:30 to obtain amended Order; Dealing with registering Order on title; Reviewing decision of Justice Myers; Multiple discussions with N. Goldstein; Reviewing letter to J. Davies	0.43
02/05/17	A. Terpoy-Heinemann	Updating e-Reg form and A&D; Circulating for signature	0.10
02/05/17	J. D. van Gent	Reviewing draft e-reg. modules concerning registration of court orders; Facilitating execution and delivery of acknowledgement and direction with respect to electronic registration; Numerous emails to and from A. Terpoy and S. Zweig concerning same	0.03
02/05/17	N. K. McNeillage	Reviewing e-reg court order for registration	0.03
02/05/17	M. P. Vaughan	Researching applicability of s. 17 Mortgage Act interest	0.93
02/05/17	P. K. Bell	Discussing application of Mortgages Act and related issues with S. Zweig and M. Vaughan; Reviewing and analyzing materials regarding same	0.30
02/05/17	S. H. Zweig	Emails with lender counsel regarding mortgage discharges; Discussions with N. Goldstein regarding documentation for MarshallZehr financing; Reviewing M. Vaughn email regarding Mortgages Act issue	0.60
03/05/17	S. H. Zweig	Many discussions regarding new financing with M. Letourneau and Receiver; Considering payout issue, and many discussions regarding same; Discussions regarding discharge of 217 security	0.90
03/05/17	P. K. Bell	Reviewing correspondence and authorities regarding potential application of Mortgages Act	0.10

Date	Lawyer	Description	Hours
03/05/17	M. P. Vaughan	Researching applicability of s. 17 Mortgage Act interest	0.36
03/05/17	J. D. van Gent	Attending to registration of court orders; Emails to and from S. Zweig	0.05
03/05/17	A. Terpoy-Heinemann	Attending to the registration of five applications	0.08
03/05/17	S. H. Zweig	Reviewing letter from CLA claimant; Discussions with Receiver; Emails regarding production ordered, and status thereof	0.08
04/05/17	S. H. Zweig	Reviewing and commenting on draft letter soliciting proposals from realtors; Multiple discussions with N. Goldstein	0.12
04/05/17	J. D. van Gent	Reviewing and providing comment on draft security documents with respect to DIP loan; Office conference with S. Zweig to discuss comments on same	0.60
04/05/17	S. H. Zweig	Reviewing and commenting on financing documents; Discussion with J. van Gent regarding same; Dealing with new financing and discharge of 217 mortgages throughout day	1.20
05/05/17	S. H. Zweig	Emails with B. Kofman regarding loan documents; Reviewing revised drafts of same and finalizing same; Closing financing	1.10
08/05/17	S. H. Zweig	Emails with M. Letourneau; Emails with J. Chang; Dealing with issues related to payout	0.40
08/05/17	J. D. van Gent	Voicemails and emails to and from S. Zweig concerning payout	0.06
09/05/17	S. H. Zweig	Reviewing discharges and emailing same to new lender	0.20
09/05/17	N. J. Shaheen	Phone call with S. Zweig regarding potential litigation issue; Drafting email to S. Zweig regarding certificates of pending litigation and freezing orders	0.15
09/05/17	A. Terpoy-Heinemann	Obtaining PINs for two addresses in Ottawa; Reviewing corresponding PINs and addresses on VuMap	0.10
09/05/17	S. H. Zweig	Multiple calls and emails with N. Goldstein regarding Ottawa property and related issues; Considering options and next steps; Multiple discussions regarding same; Discussions with N. Shaheen regarding same	0.58
10/05/17	S. H. Zweig	Further discussion with N. Shaheen; Multiple discussions with N. Goldstein throughout day; Reviewing various information regarding Mr. Davies and related issues; Call with Receiver, Trustee and A&B; Discussions with J. Bell and P. Bell	0.70
10/05/17	A. Terpoy-Heinemann	Obtaining charge instruments	0.03
10/05/17	J. G. Bell	Speaking with S. Zweig and P. Bell regarding file and potential next steps	0.05
10/05/17	P. K. Bell	Meeting with S. Zweig to discuss potential preservation proceedings; Reviewing materials in respect of same; Discussing same with J. Bell	0.15
10/05/17	N. J. Shaheen	Phone calls with S. Zweig regarding potential motion for certificate of pending litigation or freezing order	0.10

June 8, 2017
Page 4Client: 074735.00007
Invoice No.: 1176606

Date	Lawyer	Description	Hours
11/05/17	P. K. Bell	Conference call and discussion with S. Zweig and J. Bell regarding Rideau property and CPL proceedings in relation to same; Reviewing and analyzing materials for same including background reports, statutory provisions and relevant authorities; Phone call with J. Blinick	0.13
11/05/17	J. G. Bell	Speaking with S. Zweig regarding file and next steps; Attending conference call to discuss next steps; Preparing materials for motion for certificate of pending litigation	0.18
11/05/17	T. W. Henderson	Research regarding procedural requirements for certificates of pending litigation; Meeting with P. Bell	0.80
11/05/17	J. Blinick	Discussions and correspondence with J. Bell	0.10
11/05/17	S. H. Zweig	Call with B. Kofman; Call with Court; Drafting letter to Kingsett; Discussion with P. Mantini regarding same; Reviewing B. Kofman comments on same and revising same; Drafting form financing term sheet; Drafting confidentiality agreement; Multiple discussions with Receiver; Dealing with Ottawa property issues	1.02
12/05/17	S. H. Zweig	Reviewing B. Kofman comments on financing term sheet, and revising same; Call with Receiver regarding litigation strategy; Multiple discussions with internal team; Multiple calls and emails with Receiver throughout day; Drafting cover letter for financing term sheet; Emails and calls with Receiver throughout day; Reviewing draft Report	0.80
12/05/17	P. K. Bell	Conference call with KSV and Bennett Jones regarding court materials for CPL and potential Mareva; Reviewing Receiver's Report in respect of Rideau Property; Discussing preparation of Notice of Action and Notices of Motion with J. Bell and J. Blinick; Reviewing and analyzing materials for same	0.55
12/05/17	J. Blinick	Discussions with J. Bell; Conference call with Receiver, S. Zweig, J. Bell and P. Bell; Drafting materials in support of motion for mareva injunction and CPLs	0.43
12/05/17	A. Terpoy-Heinemann	Confirming addresses and PINs on VuMap; Obtaining PINs and block maps and forwarding same to S. Zweig	0.12
12/05/17	J. G. Bell	Preparing for and attending conference call with B. Kofman, S. Zweig and others to discuss strategy and next steps; Reviewing materials regarding same	0.20
12/05/17	L. Nellson	Ordering and obtaining Ontario profile report and summary	0.05
13/05/17	J. G. Bell	Reviewing report; Drafting correspondence regarding same; Speaking with J. Blinick regarding file; Reviewing motion materials; Speaking with S. Zweig and P. Bell regarding file	0.15

June 8, 2017
Page 5Client: 074735.00007
Invoice No.: 1176606

Date	Lawyer	Description	Hours
13/05/17	J. Blinick	Reviewing and considering file materials, including KSV's and GT's reports; Email correspondence and discussions with P. Bell, J. Bell and S. Zweig regarding same; Preparing materials for motion for certificates of pending litigation, including notice of motion, factum, order and certificates of pending litigation; Circulating copies of same; Preparing notice of action; Preparing materials for motion for mareva Injunction, including notice of motion, factum and order; Internal correspondence regarding same	1.30
13/05/17	P. K. Bell	Reviewing and analyzing materials and reports for Notice of Action, CPL and potential Mareva relief; Revising notice of motion, draft order and factum regarding same; Discussing same with S. Zweig and J. Bell; Correspondence with J. Blinick	0.52
13/05/17	S. H. Zweig	Reviewing B. Kofman comment on confidentiality agreement and revising same; Call with P. Bell; Various emails with Receiver; Call with N. Goldstein; Emails with internal team; Reviewing various information from Receiver; Reviewing and commenting on draft Report; Call with J. Bell and P. Bell; Providing comments on Report; Reviewing draft litigation materials	0.83
14/05/17	S. H. Zweig	Reviewing B. Kofman comments on Report; Emails with B. Kofman regarding same; Reviewing revised draft of Report; Emails with J. Bell	0.25
14/05/17	J. Blinick	Email correspondence regarding matter and path forward	0.07
15/05/17	J. Blinick	Internal email correspondence; Conference call with S. Zweig and J. Bell; Drafting notice of action for claim against Rideau; Researching discrete legal issues relating to issuance of CPLs; Revising materials for motion for CPLs, including notice of motion, factum, draft order and CPLs; Circulating copies of same; Internal correspondence and discussions regarding same; Revising same as per comments; Reviewing and revising third receiver's report; Circulating comments on same; Correspondence and discussions regarding same; Instructing student regarding preparation of book of authorities; Preparing motion record; Generally engaged in file	1.27
15/05/17	A. Terpoy-Heinemann	Confirming address on VuMap and obtaining PIN	0.03
15/05/17	J. G. Bell	Preparing for and attending call with S. Zweig and others to discuss next steps and strategy; Meeting with J. Blinick regarding same; Reviewing and revising notice of action	0.20
15/05/17	S. H. Zweig	Call with internal team regarding CPL materials and next steps; Working on CPL materials and issues throughout day and evening, and multiple emails and discussions in connection with same	0.97
15/05/17	L. Neilson	Ordering and obtaining Ontario and Federal profile reports	0.05
15/05/17	P. K. Bell	Meeting with S. Zweig, J. Bell and J. Blinick regarding Receiver's Report, Notice of Action and CPL materials; Research and analysis regarding same; Reviewing Third Report of the Receiver	0.23

June 8, 2017
Page 6

Client: 074735.00007
Invoice No.: 1176606

Date	Lawyer	Description	Hours
16/05/17	P. K. Bell	Reviewing Third Report of the Receiver; Discussing same with S. Zweig; Reviewing and revising court materials for CPL including Notice of Action, Notice of Motion, Draft Order and Factum for CPL Motion; Correspondence and discussion with J. Bell and J. Blinick regarding same; Reviewing and analyzing Loan Agreement and relevant covenants	0.73
16/05/17	L. Neilson	Ordering and obtaining 10 Ontario profile reports	0.17
16/05/17	S. H. Zweig	Working on action and CPL motion throughout day, including: Reviewing revised draft of Third Report; Reviewing and commenting on all CPL materials; Discussions regarding same; Multiple discussions with N. Goldstein throughout day; Considering issues related to CPL motion; Emails regarding D&O policy	0.92
16/05/17	J. G. Bell	Reviewing notice of action and motion materials for CPL; Drafting correspondence regarding same; Speaking with J. Blinick regarding file	0.10
16/05/17	J. Blinick	Internal email correspondence and discussions; Reviewing and considering revised versions of report; Reviewing and considering internal comments on court materials; Revising same; Emailing copies of same to B. Kofman and N. Goldstein; Making further revisions to same; Finalizing same; Preparing case information sheet for new matter; Having notice of action issued by court and filed together with case information sheet; Revising factum to address court's requests/instructions; Emailing motion materials to Justice Myers; Generally engaged in file	1.02
17/05/17	J. Blinick	Email correspondence and discussions with real estate clerks regarding registration of CPLs; Reviewing order and endorsement of Justice Myers granting CPLs; Having order issued and entered, and CPLs issued; Reviewing draft A&D; Revising same; Emailing copy of same to B. Kofman and N. Goldstein for execution; Having CPLs registered on title; Email correspondence and discussions regarding same and next steps; Drafting letter to defendant enclosing order and court materials; Having same served on defendant; Internal discussions regarding further service of materials and other discrete issues relating to matter; Addressing discrete issues relating to matter; Generally engaged in file	0.52
17/05/17	A. Terpoy-Heinemann	Searching VuMap and Teraview to confirm civic addresses and PINs; Obtaining PINs and block maps for various addresses and forwarding to S. Zweig	0.23
17/05/17	A. Terpoy-Heinemann	Dealing with parcel registers and corresponding documents; Forwarding same to S. Zweig	0.05
17/05/17	S. H. Zweig	Reviewing Order and Endorsement on CPL motion; Discussions with Receiver regarding same and dealing with next steps; Emails and discussions regarding further Fourth Report and related issues; Discussion with D. Ullmann; Reviewing additional investor materials; Emails regarding next steps at Rideau	0.38

June 8, 2017
Page 7

Client: 074735.00007
Invoice No.: 1176606

Date	Lawyer	Description	Hours
17/05/17	A. Terpoy-Heinemann	Reviewing correspondence and instructions in regard to documents to be registered; Drafting e-Reg Applications to register Certificate of Pending Litigation for two properties, together with corresponding A&D; Forwarding same to J. Blinick for execution; Attending to the registration of applications	0.28
18/05/17	A. Terpoy-Heinemann	Obtaining additional PIN and block map	0.03
18/05/17	S. H. Zweig	Multiple discussions with N. Goldstein; Reviewing summary of payments made by Davies Developers and considering same	0.23
18/05/17	L. Neilson	Ordering and obtaining 2 comprehensive nuans searches on Textbook and Memory Care	0.05
18/05/17	J. Blinick	Email correspondence regarding service of order and other materials on Rideau at Concord address	0.02
19/05/17	S. Bernamoff	Meeting with S. Zweig	0.05
19/05/17	S. H. Zweig	Discussions with N. Goldstein; Reviewing summary of distributions made to certain parties; Considering same and meeting with student in connection with same	0.37
21/05/17	S. H. Zweig	Emails with Receiver regarding distributions made by debtors	0.07
21/05/17	S. Bernamoff	Reviewing Motion Record and loan agreements	0.33
22/05/17	S. Bernamoff	Reviewing loan agreements and preparing chart of specific information; Emailing S. Zweig	0.92
22/05/17	S. H. Zweig	Emails with B. Kofman; Various emails with S. Bernamoff; Reviewing preliminary analysis, considering same and discussions regarding same	0.22
23/05/17	L. Neilson	Ordering and obtaining Ontario profile report	0.05
23/05/17	S. Bernamoff	Reviewing loan agreements and creating chart of exclusionary clauses; Adding footnotes to the chart of defined terms from the loan agreement; Received emails from S. Zweig with edits to chart; Implementing chart edits; Discussing w/ S. Zweig additional loan agreements to be reviewed; E-mailing w/ S. Zweig about new loan agreements; Reviewing new agreements for distribution limitation/exclusion clauses; Corresponding with S. Zweig	0.98
23/05/17	J. Blinick	Addressing discrete issues relating to service of order and motion materials on Rideau; Email correspondence with S. Zweig and J. Bell regarding pending report to support Mareva injunction	0.05
23/05/17	S. H. Zweig	Reviewing and commenting on S. Bernamoff analysis and discussion regarding same; Multiple discussions with N. Goldstein; Reviewing ancillary SMI documents; Discussions with S. Bernamoff	0.65
24/05/17	S. H. Zweig	Reviewing analysis of agreements prepared by S. Bernamoff; Reviewing email from H&H; Discussions with N. Goldstein	0.28
24/05/17	S. Bernamoff	Preparing for S. Zweig additional chart with distribution exclusion/limitation clauses from Closing Books	1.20

June 8, 2017
Page 8

Client: 074735.00007
Invoice No.: 1176606

Date	Lawyer	Description	Hours
24/05/17	A. Terpoy-Heinemann	Checking status of registration of applications to register certificate of pending litigation	0.02
25/05/17	J. G. Bell	Drafting correspondence	0.02
25/05/17	A. Terpoy-Heinemann	Obtaining PIN and forwarding same to S. Zweig	0.03
25/05/17	S. H. Zweig	Call with KSV and G. Benchetrit; Instructing clerk regarding land title search; Discussion with J. van Gent regarding results; Discussions with N. Goldstein	0.17
26/05/17	S. H. Zweig	Multiple discussions with N. Goldstein and S. Bernamoff regarding permitted payments; Reviewing additional documents; Many emails and calls with N. Goldstein regarding Report and related matters; Reviewing draft letter; Discussion with J. Bell regarding same, and follow-up discussion with N. Goldstein; Reviewing D&O policies	0.50
26/05/17	A. Terpoy-Heinemann	Obtaining documents to confirm registrations of certificates of pending litigation; Forwarding same to J. Blinick	0.03
26/05/17	J. G. Bell	Speaking with S. Zweig regarding file	0.02
26/05/17	L. Neilson	Ordering and obtaining 2 Ontario profile reports and 1 business names list	0.08
26/05/17	S. Bernamoff	Emailing with S. Zweig about further review of Closing Book Agreements; Reviewing Closing Book agreements for certain financial information	0.17
26/05/17	J. Blinick	Email correspondence with real estate clerk regarding LRO's confirmation of registration of CPLs on title	0.02
27/05/17	S. H. Zweig	Reviewing correspondence between Receiver and J. Davies; Emails with B. Kofman	0.05
29/05/17	J. Blinick	Reviewing and considering insurance policies; Email correspondence and discussions with S. Zweig regarding same; Email correspondence regarding deletion of CPLs and discontinuance of action; Email correspondence with real estate clerks regarding same	0.20
29/05/17	S. Bernamoff	Updating Closing Book charts with new agreements received; Corresponding with S. Zweig	0.55
29/05/17	S. H. Zweig	Reviewing J. Blinick analysis regarding D&O insurance; Emails regarding same; Multiple discussions with N. Goldstein throughout day; Reviewing additional ancillary SMI documents; Discussion with internal team regarding Rideau developments; Reviewing updated analysis of ancillary documents from S. Bernamoff	0.47
29/05/17	J. G. Bell	Reviewing correspondence; Speaking with S. Zweig regarding file	0.02
29/05/17	A. Terpoy-Heinemann	Reviewing internal email correspondence from J. Blinick and L. Stacey regarding the removal of certificates of pending litigation from title	0.02
30/05/17	S. H. Zweig	Multiple discussions with N. Goldstein; Emails regarding Rideau developments and next steps	0.17

June 8, 2017
Page 9Client: 074735.00007
Invoice No.: 1176606

Date	Lawyer	Description	Hours
30/05/17	J. Blinick	Email correspondence to and from L. Stacey regarding deletion of CPLs from title to Rideau property; Email correspondence with S. Zweig and J. Bell regarding same and next steps	0.05
31/05/17	J. Blinick	Email correspondence and discussions with S. Zweig and J. Bell; Reviewing and considering KSV's fourth report; Further discussions with J. Bell regarding same	0.20
31/05/17	S. H. Zweig	Calls and emails with N. Goldstein regarding Fourth Report; Reviewing and commenting on draft Fourth Report; Discussion with J. Bell regarding same	0.63
31/05/17	L. Neilson	Ordering and obtaining 4 Ontario profile reports	0.10
31/05/17	A. Terpoy-Heinemann	Verifying address and obtaining PIN; Forwarding same to S. Zweig	0.03
31/05/17	J. G. Bell	Reviewing Receiver's draft fourth report; Drafting correspondence regarding same	0.07
Total Hours			36.42
Professional Services			\$ 19,375.65

Timekeeper	Hours	Rate
J. G. Bell	1.01	\$ 660.00
P. K. Bell	3.61	630.00
J. D. van Gent	0.84	740.00
S. H. Zweig	16.06	680.00
N. J. Shahcen	0.25	570.00
J. Blinick	5.25	500.00
T. W. Henderson	0.80	230.00
M. P. Vaughan	2.29	230.00
S. Bernamoff	4.20	220.00
N. K. McNeilage	0.11	340.00
L. Neilson	0.55	230.00
A. Terpoy-Heinemann	1.45	225.00

Other Charges	
Printing Charges	\$ 251.55
Library Computer Search	15.25
Photocopy Charges	19.37
Total Other Charges	\$ 286.17

Disbursements	
Courthouse Charges	\$ 73.34
Online Government Service Fees	53.00
Land Titles	148.60
Process Servers	41.51
Total Disbursements	316.45

**Bennett
Jones**

June 8, 2017
Page 10

Client: 074735.00007
Invoice No.: 1176606

Disbursements Incurred As Your Agent (Non-Taxable)

TeraView Filing Fee		\$	24.64
Total Disbursements Incurred As Your Agent		\$	<u>24.64</u>
		GST/HST	\$ 2,597.17
		TOTAL DUE	\$ <u>22,600.08</u>

KSV KOFMAN INC.
150 KING STREET WEST
SUITE 2308
TORONTO, ON M5H 1J9

Attention: **MR. BOBBY KOFMAN**
MANAGING DIRECTOR AND PRESIDENT

Re: MEMORY CARE INVESTMENTS (KITCHENER) LTD.
Our File Number: 074735.00007

Date: June 8, 2017
Invoice: 1176606

Remittance Statement

Professional Services	\$	19,375.65
Other Charges		286.17
Disbursements		316.45
Disbursements Incurred As Your Agent (Non-taxable)		24.64
Total Due before GST/HST	\$	<u>20,002.91</u>
GST/HST	\$	2,597.17
TOTAL Due in CAD	\$	<u>22,600.08</u>

Remit by Wire Transfer to:

Beneficiary Account Name: Bennett Jones LLP
Beneficiary Address: 4500, 855 - 2nd Street SW Calgary, AB T2P 4K7 Canada
Beneficiary Bank: Royal Bank of Canada
Bank Address: 339 -- 8th Avenue SW Calgary, AB T2P 1C4 Canada
Account Details: Bank 003, Translt 00009, CAD Acct 172-581-1 or USD Acct 400-553-4
SWIFT Code: ROYCCAT2

Intermedlary bank: JP Morgan Chase Bank, New York
ABA: 021000021, **SWIFT Code:** CHASUS33

Please include the invoice number on the wire.
Email notification may be sent to: bennettjonesoft@bennettjones.com

Remit by Credit Card (Visa or MasterCard):
Call an Accounts Receivable Specialist at
(403) 298-3137 or (403) 298-3164 with
your credit card number, validation code
and expiry date.

Due upon receipt. Bennett Jones LLP reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices after 30 days.
We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at www.bennettjones.com or contact our Privacy Officer
by visiting our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346757

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

MOTION RECORD
(Returnable November 26, 2018)

BENNETT JONES LLP
3400 One First Canadian Place
Toronto, ON M5X 1A4

Sean H. Zweig (LSO#57307D)
Tel: (416) 777-6254
Fax: (416) 863-1716

Counsel to the Receiver,
KSV Kofman Inc.