

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE CAVANAGH

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MONDAY, THE 2ND
DAY OF NOVEMBER, 2020

B E T W E E N:

KRASHNIK INVESTMENTS LIMITED
and GABEL INVESTMENTS LIMITED

Applicants

and

186 OLD KENNEDY DEVELOPMENT INC.

Respondent

APPROVAL, DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by **POLLARD & ASSOCIATES INC.**, its capacity as receiver (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of 186 Old Kennedy Development Inc. (the "**Debtor**"), for an Order, *inter alia*, approving the activities and fees of the Receiver, authorizing the distribution of funds and discharging the Receiver, was heard today by way of video conference due to the COVID-19 pandemic.

ON READING the Notice of Motion herein, the Third and Final Report of the Receiver dated October 21, 2020, (the "**Third Report**"), the affidavits of the Receiver and its counsel, Minden Gross LLP, as to fees; the affidavit of Wenguang Liu sworn October 19, 2020 on behalf of 2592898 Ontario Inc., 2620094 Ontario Inc., 2627235 Ontario Inc., 2638796 Ontario Inc. and 2646429 Ontario Inc. (the "**259 Group**") and the affidavit of Yi Zhou, the bare trustee of the syndicated 3rd mortgage (the "**Third Mortgagee**") sworn October 27, 2020, and on hearing the submissions of counsel for the Receiver, the 259 Group and Zhou and upon being advised that the 259 Group and the Third Mortgagee have resolved the issues between them, no other interested parties appearing although served as evidenced by the affidavit of Karen A. Fox sworn October 22, 2020,

1. **THIS COURT ORDERS** that the Third Report and the activities and conduct of the Receiver since the Second Report as outlined in the Third Report, are hereby approved.
2. **THIS COURT ORDERS** that the fees and expenses of counsel to the Receiver in the amount of \$175,750.51 plus HST, are hereby approved.
3. **THIS COURT ORDERS** that the fees of the Receiver in the amount of \$194,259.00 plus HST, are hereby approved.
4. **THIS COURT ORDERS** that the proposed accrual of fees and expenses of Minden Gross in the amount of \$20,000.00 plus HST, are hereby approved;
5. **THIS COURT ORDERS** that the proposed accrual of the fees and expenses of the Receiver in the amount of \$20,000.00 plus HST, are hereby approved.

6. **THIS COURT ORDERS** that the Interim Statement of Receipts and Disbursements as at October 21, 2020 is hereby approved.

7. **THIS COURT ORDERS** that the ProForma Statement of Receipts and Disbursements as at October 21, 2020 is hereby approved.

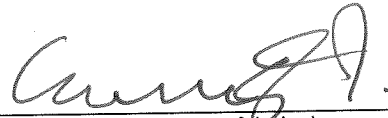
8. **THIS COURT ORDERS** that the Receiver is authorized to distribute the balance of the proceeds held by the Receiver from the sale of the Debtor's property, after payment of the fees and expenses of the Receiver and its counsel and the accruals provided for herein as follows:

(a) To the 259 Group, the sum of \$1,350,000.00 from the funds held back by the Receiver representing the remaining funds owing to the 259 Group that are secured in priority to the Third Mortgagee by the mortgage registered as instrument number YR2739089 (the "**259 Group Mortgage**"). This distribution is without prejudice to the rights, if any, of 259 Group to claim a \$25,000 forbearance fee owing in respect of the 259 Group Mortgage from any person or entity other than the Receiver or the Third Mortgagee;

(b) To the Third Mortgagee, the balance of the funds held by the Receiver, together with any further amounts which may be recovered by the Receiver prior to its discharge, net of the costs of recovering such amounts up to the amount of the indebtedness owing to the Third Mortgagee.

9. **THIS COURT ORDERS** that, effective upon filing of a certificate by the Receiver certifying that all outstanding matters to be attended to in connection with the

receivership of the Debtor have been completed to the satisfaction of the Receiver, Pollard & Associates Inc. is hereby discharged as Receiver and is hereby released from any and all liability that Pollard & Associates Inc. has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Pollard & Associates Inc. while acting in its capacity as Receiver, save and except for any gross negligence or wilful misconduct on the Receiver's part.

A handwritten signature in cursive script, appearing to read "C. M. A.", written above a horizontal line.

(Signature of Judge)

SCHEDULE "A"

Court File No. CV-19-627410-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
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BETWEEN:

**KRASHNIK INVESTMENTS LIMITED
and GABEL INVESTMENTS LIMITED**

Applicants

and

186 OLD KENNEDY DEVELOPMENT INC.

Respondent

RECEIVER'S DISCHARGE CERTIFICATE

RECITALS

(A) Pursuant to an Order of the Honourable Justice C.A. Gilmore of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 31, 2020, Pollard & Associates Inc. ("**Pollard & Associates**") was appointed as receiver (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of 186 Gold Kennedy Development Inc. (the "**Debtor**" or the "**Company**").

(B) Pursuant to an Order of the Court dated November 2, 2020 (the "**Discharge Order**"), Pollard & Associates was discharged as Receiver of all of the assets, undertakings and properties of the Debtor to be effective upon the filing by the Receiver with the Court of a certificate confirming that all matters to be attended to in connection with the receivership of the Debtor, including the remaining activities, have been

completed to the satisfaction of the Receiver, provided, however, that notwithstanding its discharge: (a) the Receiver will remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and (b) the Receiver will continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of Pollard & Associates, in its capacity as Receiver.

(C) Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Discharge Order.

THE RECEIVER CERTIFIES the following:

1. All matters to be attended to in connection with the receivership of the Debtor, including the remaining activities, have been completed to the satisfaction of the Receiver; and
2. This Certificate was filed by the Receiver with the Court on the ____ day of _____, 2020.

**POLLARD & ASSOCIATES INC., in its capacity
as the Court Appointed Receiver of 186 Old
Kennedy Development Inc.**

Per: _____
Name: Angela K. Pollard
Title: President

BETWEEN

KRASHNIK INVESTMENTS LIMITED, et al.
Applicants

-and-

186 OLD KENNEDY DEVELOPMENT INC.
Respondent
Court File No. CV-19-627410-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

RECEIVER'S DISCHARGE CERTIFICATE

MINDEN GROSS LLP
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Lawyers for the Receiver,
Pollard & Associates Inc.

BETWEEN

KRASHNIK INVESTMENTS LIMITED et al.
Applicants

-and-

186 OLD KENNEDY DEVELOPMENT INC.
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