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(i) Southmount Healthcare Centre Inc. (formerly Carriage Gate Group Inc.) (“**Southmount**”), 180 Vine Inc. (“**Vine Co.**”), 2478658 Ontario Ltd., 2009 Long Lake Holdings Inc., 65 Larch Holdings Inc., 100 Colborne Holdings Inc., and 240 Old Penetanguish Holdings Inc. (collectively, the “**Legal Owners**”) acquired for, or used in relation to the Legal Owners’ business, including any interest held by Vine Co. to which Her Majesty the Queen in Right of Ontario (the “**Crown**”) may have rights and any interest in the applicable real property conveyed by the Crown to 180 Vine Purchaser Inc. (collectively, the “**Legal Owners’ Property**”), and (ii) 180 Vine Purchaser Inc., Gross Properties Inc. and 2413667 Ontario Inc. (collectively, the “**Beneficial Owners**”, and together with the Legal Owners, the “**Debtors**”), but solely in respect of all of the Beneficial Owners’ right, title and interest in and to the Legal Owners’ Property, including the Real Property and all proceeds thereof, whether held directly or indirectly by the Beneficial Owners for themselves or for others (together with the Legal Owners’ Property, the “**Receivership Assets**”), for an Order, among other things:

- (i) authorizing the Receiver to pay commissions to CBRE Limited (the “**Broker**”);
- (ii) authorizing the Receiver to make distributions to the Applicants;
- (iii) procedurally consolidating the bankruptcy proceedings of the Legal Owners (other than Southmount and Vine Co.) and certain related parties;
- (iv) approving the activities of the Receiver, as set out in the Receiver’s First Report to Court dated October 21, 2021 (the “**First Report**”) and the Receiver’s Second Report to the Court dated May 13, 2022 (the “**Second Report**”); and
- (v) sealing Confidential Appendices “A”, “B” and “C” to the Second Report and Confidential Appendices “A” and “B” to the Supplement to the Second Report of the

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Receiver dated May 20, 2022 (the “**Supplemental Report**” and such Confidential Appendices being, collectively, the “**Confidential Appendices**”);
was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Receiver’s Notice of Motion, the First Report and the appendices thereto, the Second Report and the appendices thereto, the Supplemental Report and the appendices thereto, and on hearing the submissions of counsel for the Receiver, the Applicants, and those other counsel and parties listed on the Participant Information Form, no one else appearing although properly served with the Receiver’s Motion Record as appears from the affidavit of Nancy Thompson sworn May 17, 2022 (the “**Thompson Affidavit**”):

SERVICE

1. **THIS COURT ORDERS** that the manner and time for service and filing of the Receiver’s Notice of Motion and Motion Record as set out in the Thompson Affidavit are hereby abridged and validated, so that this motion is properly returnable today.

PAYMENT OF BROKER COMMISSIONS

2. **THIS COURT ORDERS AND DECLARES** that the Receiver is authorized and directed to pay the Commissions (as defined in the Second Report) to the Broker as and when the applicable sale transactions close, out of the proceeds thereof, in each case in such amounts as are prescribed by the terms of the broker listing agreement dated as of October 20, 2021 among the Debtors and the Broker.

RESERVE AND DISTRIBUTIONS

3. **THIS COURT ORDERS** that the Receiver is hereby authorized to:
(a) repay all indebtedness outstanding under Receiver’s Certificates (as defined in the Appointment Order) issued under the term sheet among the Applicants and the

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Receiver, dated June 18, 2021 from the Net Proceeds of Sale (as defined in the Second Report) and any other funds in the possession of the Receiver (the “**Receivership Cash**”);

- (b) distribute to the Applicants by way of one or more distributions from the Receivership Cash at the time or times determined by the Receiver, in its sole discretion;

subject to the maintenance of a reserve, in an amount satisfactory to the Receiver, in consultation with the Applicants, or in an amount otherwise ordered by the Court, to: (i) fund the fees and disbursements of the Receiver and its counsel, (ii) fund operating costs and expenses of the Debtors incurred in relation to the Receivership Assets since the date of the Appointment Order, (iii) secure the obligations under the Receiver’s Charge (as defined in the Appointment Order), and (iv) fund the Bankruptcy Costs (defined below).

BANKRUPTCY OF 180 VINE PURCHASER INC.

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to file and assignment in bankruptcy on behalf of 180 Vine Purchaser Inc. (“**Vine Purchaser**”), or to consent to the making of a bankruptcy order against Vine Purchaser.

PROCEDURAL CONSOLIDATION

5. **THIS COURT ORDERS** that following any assignment in bankruptcy by or on behalf of the Legal Owners other than Southmount and Vine Co. (the “**Bankruptcy Legal Owners**”) and Victoria Avenue North Holdings Inc. (“**Victoria**”), KPMG Inc., in its capacity as the bankruptcy trustee of the Bankruptcy Legal Owners and Victoria (the “**Trustee**”) shall be entitled to administer the procedural matters relating to those bankruptcy proceedings on a

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consolidated basis (the “**Consolidated Proceedings**”) and a copy of this order will be filed in the court file for each of the estates of the Bankruptcy Legal Owners and Victoria.

6. **THIS COURT ORDERS** that the Trustee is authorized to carry out its administrative duties and responsibilities as trustee in bankruptcy as if the Consolidated Proceedings were a single proceeding under the *Bankruptcy and Insolvency Act* (Canada), including without limitation:

- a) the meetings of creditors of the Bankruptcy Legal Owners and Victoria may be convened and conducted jointly,
- b) the Trustee is authorized to issue consolidated reports in respect of the Bankruptcy Legal Owners and Victoria; and
- c) the Trustee is authorized to deal with all filings and notices relating to the bankruptcy on a consolidated basis

7. **THIS COURT ORDERS** that the Consolidated Proceeding will be in relation to procedural matters only and do not:

- a) affect the separate legal status of the corporate structure of the Bankruptcy Legal Owners and Victoria;
- b) cause any of the Bankruptcy Legal Owners or Victoria to be liable for any claim for which it is otherwise not liable, or cause any of the Bankruptcy Legal Owners or Victoria to have any interest in any asset which it otherwise would not have; or
- c) affect the Bankruptcy Legal Owners’ or Victoria’s filing obligations under the *Bankruptcy and Insolvency Act* (Canada).

8. **THIS COURT ORDERS** that the Receiver shall be permitted to transfer to the Trustee from time to time funding for costs associated with the bankruptcies of the Bankruptcy Legal

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Owners, as determined by the Receiver in consultation with the Applicants (the “**Bankruptcy Costs**”).

APPROVAL OF REPORTS & ACTIVITIES

9. **THIS COURT ORDERS** that the First Report, the Second Report and the activities of the Receiver described therein, be and are hereby approved, provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

SEALING ORDER

10. **THIS COURT ORDERS** that the Confidential Appendices are hereby sealed and shall not form part of the public record.

MISCELLANEOUS

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



Court File No.: CV-21-00664273-00CL

AMERICAN GENERAL LIFE INSURANCE COMPANY, *et al.*
Applicants

- and -

SOUTHMOUNT HEALTHCARE CENTRE INC., *et al.*
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding Commenced at Toronto

DISTRIBUTION AND ANCILLARY
MATTERS ORDER

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