

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

THE HONOURABLE MR. JUSTICE
McEWEN

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WEDNESDAY, THE 1ST

DAY OF APRIL, 2020

BETWEEN:



MARSHALLZEHR GROUP INC.

Applicant

- and -

2305992 ONTARIO INC.

Respondent

INTERIM DISTRIBUTION ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as Court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of 2305992 Ontario Inc. (the “**Debtor**”), seeking, among other relief, an order approving the Second Report of the Receiver dated March 16, 2020 (the “**Second Report**”) and authorizing the Receiver to make certain distribution and sealing the confidential appendices to the Second Report, was heard by teleconference due to the COVID-19 crisis.

ON READING the Second Report, and on hearing the submissions of counsel for the Receiver and other interested parties, no other party appearing although properly served as appears on the Affidavit of Service of Cindy Foote sworn March 17, 2020, filed:

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms used but not otherwise defined in this Order are defined in the Second Report.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is abridged and validated such that this Motion is properly returnable today, and further service of the Notice of Motion and the Motion Record is hereby dispensed with.

APPROVAL OF RECEIVER'S ACTIVITIES

3. **THIS COURT ORDERS** that the Second Report and the conduct and activities of the Receiver set out therein are approved, provided 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.

INTERIM DISTRIBUTIONS

4. **THIS COURT ORDERS** that, upon the closing of the Successful Transaction or the Back-Up Transaction, the Receiver is authorized and directed to make the following distributions (in the order of priority set out below) from and to the extent of the proceeds available for distribution from the closing of the Successful Transaction or Back-Up Transaction (as the case may be, the "**Sale Proceeds**");

- (a) to the beneficiaries of the Receiver's Charge (as defined in the Order of Justice McEwen dated October 9, 2019 (the "**Receivership Order**")) on account of all unpaid professional fees and disbursements;
- (b) to MarshallZehr Group Inc. ("**MZ**") on account of outstanding principal and interest in respect of amounts advanced to the Receiver that are secured by the Receiver's Borrowing Charge (as defined in the Receivership Order); and
- (c) to claimants on account of claims that rank in priority to the secured claims of MZ (if any);

- (d) to MZ, up to the amount of the indebtedness owed by the Debtor to MZ on account of outstanding principal and interest (excluding fees, costs and “wrap up” interest) that is secured under the First Mortgage.

SEALING ORDER

5. **THIS COURT ORDERS** that the Confidential Appendices 1, 2 and 3 to the Second Report are sealed until completion of the Successful Transaction or the Back-Up Transaction (as the case may be) or further Order of this Court.



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

APR 01 2020

PER / PAR: *RW*

MARSHALLZEHR GROUP INC.
Applicant

2305992 ONTARIO INC.
and Respondent

Court File No.: CV-19-00628446-00 CL

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

INTERIM DISTRIBUTION ORDER

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Inc.