



ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 3RD
JUSTICE HAINEY) DAY OF MAY, 2019

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

DISTINCT INFRASTRUCTURE GROUP INC., DISTINCT INFRASTRUCTURE GROUP WEST INC., DISTINCTTECH INC., IVAC SERVICES INC., IVAC SERVICES WEST INC., and CROWN UTILITIES LTD.

Respondents

INTERIM DISTRIBUTION, EXPANSION OF POWERS AND FEE APPROVAL ORDER

THIS MOTION, made by Deloitte Restructuring Inc., in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of each of Distinct Infrastructure Group Inc., Distinct Infrastructure Group West Inc., DistinctTech Inc., iVac Services Inc., iVac Services West Inc. and Crown Utilities Ltd. (collectively, the "**Debtors**"), for an Order, *inter alia*, (i) approving the Auction Services Agreement (as defined below); (ii) approving the Second Report of the Receiver dated April 26, 2019 (the "**Second Report**"), and

the conduct and activities of the Receiver set out therein; (iii) authorizing and directing the Receiver to make an interim distribution to Royal Bank of Canada (the “**Bank**”) on account of the Debtors’ secured indebtedness owing to the Bank; (iv) approving the fees and disbursements of the Receiver and its legal counsel, Aird & Berlis LLP (“**A&B**”) and Thompson Dorfman Sweatman LLP (“**TDS**”); (v) approving the Receiver’s interim Statement of Receipts and Disbursements as at April 19, 2019 (as appended to the Second Report); and (vi) an expansion of the Receiver’s powers was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver, including the Second Report and the appendices thereto, the affidavit of Jordan Sleeth sworn April 26, 2019, the affidavit of Shakaira John sworn April 26, 2019 and the affidavit of Ross McFadyen sworn April 10, 2019, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Rachel Bengino sworn April 29, 2019 filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF AUCTION SERVICES AGREEMENT

2. THIS COURT ORDERS that the execution of the Auction Services Agreement dated April 22, 2019 between the Receiver and Maynards Industries Canada Ltd. (the “**Auction Services Agreement**”) is hereby authorized and approved.

3. THIS COURT ORDERS that the sale of the Debtors’ assets subject to the Auction Services Agreement (collectively, the “**Auction Assets**”), is hereby approved. 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 sale of the Auction Assets and for the conveyance of the Auction Assets to the respective purchaser(s).

4. THIS COURT ORDERS that the net sale proceeds from the Auction Assets shall stand in the place and stead of the Auction Assets, and that all claims and encumbrances shall attach to

the net proceeds from the sale of the Auction Assets with the same priority as they had with respect to the Auction Assets immediately prior to the sale, as if the Auction Assets had not been sold and remained in the possession or control of the Receiver immediately prior to the sale.

APPROVAL OF THE SECOND REPORT

5. THIS COURT ORDERS that the Second Report and the conduct and 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.

APPROVAL OF FEES AND DISBURSEMENTS

6. THIS COURT ORDERS that the activities of the Receiver and the professional fees and disbursements of the Receiver in the amounts set out in the Second Report are hereby authorized and approved and the Receiver is authorized to pay all such fees and disbursements from available funds.

7. THIS COURT ORDERS that the professional fees and disbursements of A&B, as independent legal counsel to the Receiver, in the amounts set out in the Second Report are hereby authorized and approved and the Receiver is authorized to pay all such fees and disbursements from available funds.

8. THIS COURT ORDERS that the professional fees and disbursements of TDS, as legal counsel to the Receiver in the Province of Manitoba, in the amounts set out in the Second Report are hereby authorized and approved and the Receiver is authorized to pay all such fees and disbursements from available funds.

APPROVAL OF INTERIM RECEIPTS AND DISBURSEMENTS

9. THIS COURT ORDERS that the Receiver's Interim Statement of Receipts and Disbursements for the period of March 11, 2019 to April 19, 2019, as set out in Appendix "B" to the Second Report, be and is hereby approved.

INTERIM DISTRIBUTIONS

10. THIS COURT ORDERS that the Receiver is hereby authorized and directed to distribute to the Bank all funds and receipts currently held by the Receiver in relation to Crown Utilities Ltd. and Distinct Infrastructure Group West Inc., on account of the secured indebtedness owing by the Debtors to the Bank as outlined in the Second Report, in each case subject to the Crown WEPPA Reserve and the Crown Expense Reserve (as each term is defined in the Second Report).

INVESTIGATIVE POWERS

11. THIS COURT ORDERS that Deloitte Restructuring Inc., in its capacity as either the Trustee of the Estate of DistinctTech Inc., a bankrupt, or as Receiver of the Debtors, is hereby authorized to exercise all of the available investigative and other rights and remedies that are available to a trustee in bankruptcy under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

SEALING

12. THIS COURT ORDERS that the unredacted Auction Services Agreement, attached as Confidential Appendix “1” to the Second Report, is hereby sealed until six months after the date of this Order or further order of the Court and shall not form part of the public record.

13. THIS COURT ORDERS that the unredacted Receiver’s Interim Statement of Receipts and Disbursements for the period of March 11, 2019 to April 19, 2019, attached as Confidential Appendix “2” to the Second Report, is hereby sealed until six months after March 27, 2019 (being the closing date of the Crown Transaction (as defined in the Second Report)) or further order of the Court and shall not form part of the public record.

GENERAL

14. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver 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 may be necessary or desirable to give effect to this Order or to assist the Receiver in carrying out the terms of this Order.

Hainey J

SUPERIOR COURT OF JUSTICE
ENTERED
MAY 03 2019
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COUR SUPÉRIEURE DE JUSTICE
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ROYAL BANK OF CANADA

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DISTINCT INFRASTRUCTURE GROUP INC. et al.

Applicant

Respondents

Court File No. CV-19-00615270-00CL

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SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

INTERIM DISTRIBUTION, EXPANSION OF POWERS AND FEE
APPROVAL ORDER

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