

SUPERIOR COURT
(Commercial Division)

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

NO.: 500-11-062636-234

DATE: September 12, 2024

PRESIDING: THE HONOURABLE JUSTICE CHRISTIAN IMMER, S.C.J.

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:

DMSC REAL ESTATE INC.

9503-6737 QUEBEC INC.

9503-6752 QUEBEC INC.

BRUNSWICK MEDICAL CENTRE @ GLEN INC.

Debtors

and

BUSINESS DEVELOPMENT BANK OF CANADA

and

THE TORONTO DOMINION BANK

Applicants

and

RAYMOND CHABOT INC.

Monitor

SECOND ORDER EXTENDING THE STAY OF PROCEEDINGS

ON READING the Applicants' *Second Application for Extension of the Stay of Proceedings and Other Relief* dated September 6, 2024 (the "**Application**") in respect of DMSC Real Estate Inc. ("**DMSC**"), Brunswick Medical Centre @ Glen Inc. ("**BMC Glen**") 9503-6737 Quebec Inc. ("**BHG ResidualCo**") and 9503-6752 Quebec Inc. ("**DMSC ResidualCo**", and together with DMSC, BMC Glen and BHG ResidualCo, the "**Debtors**"), the sworn statement and the exhibits in support thereof;

CONSIDERING the Transition Order issued by this Court on January 12, 2024, as amended and restated on January 22, 2024 (the "**Transition Order**"), which *inter alia*, appointed Raymond Chabot Inc. as monitor (the "**Monitor**");

CONSIDERING that the Transition Order provided for a stay of proceedings until and including March 22, 2024 (the "**Stay Period**");

CONSIDERING the *Re-Amended and Restated Transition Order* dated April 11, 2024, which extended the Stay Period until September 27, 2024;

ON READING the Monitor's *Fourth Report on the State of the Debtors' Affairs and Finances* (Exhibit R-2) (the "**Fourth Report**") and *Fifth Report on the State of the Debtors' Affairs and Finances* (Exhibit R-5) (the "**Fifth Report**");

CONSIDERING the representations of counsel for Applicants and counsel for the Monitor;

GIVEN the provisions of the *Companies' Creditors' Arrangement Act*, and the following facts:

- i. The Debtors, the secured creditors, the Monitor and their attorneys continue to work in earnest towards selling the remaining property and collecting the sums owed by the buyers as a result of the sale of the clinics.
- ii. Amongst other, their efforts have led to: the hiring of a selling agent for the property, the preparation of sale materials, the widespread circulation of these materials to prospective purchasers and the signing of close to thirty non disclosure agreements.
- iii. Offers are expected to be received in the fall and hopefully will lead to a sale.
- iv. Also, there is a steady inflow of rentals both from the clinics, as well as from other third-party lessees. Leases have been extended.
- v. All this will ensure that the value of the property is maximized.
- vi. Hence, it is appropriate that the stay be extended.
- vii. It is also appropriate that the priority charge to guarantee the Applicants' legal counsel's fees and disbursements be increased from 250 000\$ to \$600,000, namely the sums which have been incurred to date. The secured creditors are contributing to the ongoing efforts to ensure maximization. They have paid close to 3 million \$ in outstanding municipal and school taxes and are not seeking payment of any interest or capital on their loans. This in turn ensures positive cashflows for the next months.
- viii. Although far from certain, it is hoped that by maximizing the sales proceeds, there may be sums to be offered to non secured creditors.

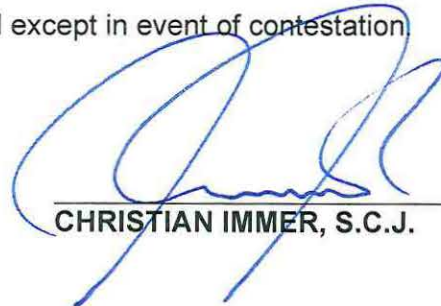
- ix. The charge serves to cover the presently outstanding fees.
- x. All stakeholders would suffer significant prejudice if this order was not executed notwithstanding appeal and if all the above-mentioned efforts could not be pursued.

THE COURT:

1. **GRANTS** the present *Application for a Second Extension of the Stay of Proceedings and Other Relief* (the "**Application**");
2. **ABRIDGES** the delays of presentation of the Application;
3. **EXTENDS** the Stay Period, as defined in the *Re-Amended and Restated Transition Order* dated April 11, 2024, until and including December 6, 2024;
4. **AMENDS** paragraph 41 of the *Re-Amended and Restated Transition Order* dated April 11, 2024, as follows:

"DECLARES that the Applicant's legal counsel (Borden Ladner Gervais LLP and Kaufman Lawyers LLP) as security for the professional fees and disbursements incurred both before and after the making of this Order and directly related to these proceedings, the Plan, and the Restructuring, be entitled to the benefit of and are hereby granted a charge and security in the Property of the Debtors to the extent of the aggregate amount of **\$600,000**, in priority to all other encumbrances, including over the claims of the federal and provincial governments subject to a deemed trust (the "Applicants' Counsels' Charge"), having the priority established by paragraph 45 hereof;"

5. **APPROVES** the activities of the Monitor, up to the date of the present Order, in connection with the restructuring proceedings, including the activities described in the Monitor's Fourth Report (Exhibit R-2) and Fifth Report (Exhibit R-5) and in the testimony of its representative at the hearing on the Application, and **DECLARES** that the Monitor has fulfilled its obligations pursuant to the *Companies' Creditors Arrangement Act* and the orders of this Court up until the date of the present Order;
6. **REMOVES** Brunswick Medical Center @ Glen Inc. from the heading and designation of the parties to the present file;
7. **ORDERS** the provisional execution of the present Order notwithstanding appeal;
8. **THE WHOLE** without costs, save and except in event of contestation.



CHRISTIAN IMMER, S.C.J.

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