

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

-and-

NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND 2209326
ONTARIO LTD.

Respondents

MOTION RECORD OF THE APPLICANT

Returnable June 25, 2021

June 8, 2021

HARRISON PENSA LLP

Barristers & Solicitors

450 Talbot Street

London, ON N6A 5J6

Timothy C. Hogan (LSO #36553S)

Robert Danter (LSO #69806O)

Tel: (519) 679-9660

Fax: (519) 667-3362

thogan@harrisonpensa.com

rdanter@harrisonpensa.com

Lawyers for the Applicant,
Pace Savings & Credit Union Limited

TO: Service List Attached

SERVICE LIST

BY EMAIL

TO: **Falls Law Group**
255 Manitoba St.
Bracebridge, ON P1L 1S2

Jason Herbert
Tel: (705) 645-3007
Fax: (705) 645-3998
Email: jay@fallslaw.ca

Lawyers for the Respondents, 2307400 Ontario Inc., 2209326 Ontario Ltd.,
Noble House Development Corporation, Ray Jarvis, 1923129 Ontario Inc., 1981262
Ontario Inc. and 2557295 Ontario Inc.

AND

TO: **msi Spergel inc.**
505 Consumers Road., Suite 200
Toronto, ON M2J 4V8

Philip H. Gennis
Tel: (416) 498-4325
Fax: (416) 498-4325
Email: pgennis@spergel.ca

Mukul Manchanda
Tel: (416) 498-4314
Fax: (416) 498-4314
Email: mmanchanda@spergel.ca

Receiver

AND

TO: **Aird & Berlis LLP**
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev Mitra
Tel: (416) 865-3085
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for the Receiver

AND

TO: **Lipman, Zener & Waxman PC**
Barristers and Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, ON M2N 6N5

Ian Klaiman
Tel: (416) 789-0658
Fax: (416) 789-9015
Email: iklaiman@lzwlaw.com

Jason Spetter
Tel: (416) 789-0655
Fax: (416) 789-9015
Email: jspetter@lzwlaw.com

Lawyers for BDO Canada Limited

AND

TO: **Gardiner Roberts LLP**
Lawyers
Bay Adelaide Centre, East Tower
22 Adelaide Street West, Suite 3600
Toronto, ON M5H 4E3

Gavin J. Tighe
Tel: (416) 865-6664
Email: gitighe@grllp.com

Alexander Melfi
Tel: (416) 865-6712
Email: amelfi@grllp.com

Lawyers for Lloyds Underwriters and 3303128 Canada Inc. T/A Alternative Risk Services

AND

TO: **Canada Revenue Agency**
c/o Department of Justice
Ontario Regional Office
120 Adelaide St. W., Suite 400
Toronto, ON M5H 1T1

Attention: Rakhee Bhandari
Tel: (416) 952-8563
Email: rakhee.bhandari@justice.gc.ca

AND

TO: **Her Majesty the Queen in Right of Ontario**

as represented by Ministry of Finance
Legal Services Branch
33 King Street West, 6th Floor
Oshawa, ON L1H 8E9

Tel: (905) 433-6934
Fax: (905) 436-4510
Email: insolvency.unit@ontario.ca

AND

TO: **Real Estate Council of Ontario**

3300 Bloor Street West, Suite 1200, West Tower
Toronto, ON M8X 2X2

ALSO SEND AN EMAIL COPY TO:
registration@reco.on.ca

AND

TO: **Loopstra Nixon**

Woodbine Place
135 Queens Plate Drive, Suite 600
Toronto, ON M9W 6V7

Alison Kutchinsky
Tel: (416) 748-4771
Email: akutchinsky@loonix.com

Lawyers for Dael Thermal Group Inc.

AND

TO: **BYLD Barristers**

141 Adelaide Street West, Suite 400
Toronto, ON M5H 3L5

Ranjan Das
Tel: (416) 364-4900 ext. 221
Fax: (416) 364-3865
Email: rdas@byldlaw.com

Lawyers for Ray Jarvis

AND

TO: **Wylaw Professional Corporation**

39 Dominion St.
P.O. Box 177
Bracebridge, ON P1L 1T6

Daniel Wyjad

Tel: (705) 645-8787
Fax: (705) 645-3390
Email: bracebridge@wylaw.ca

Lawyers for John Jarvis

AND

TO: **Scott Lyall**

2277 Queen Street East
Toronto, ON M5E 3N4
Email: scottlyall@sympatico.ca

Lawyers for the Purchaser

AND

TO: **Rutman & Rutman Professional Corporation**

184 Queen Street West
Brampton, ON L6X 1A8

Zafir Khan

Tel: (905) 456-9969
Fax: (905) 456-7448
Email: zafir@rutmanlaw.com

AND

Macdonald Sage Manis LLP

150 York Street, Suite 800
Toronto, ON M5H 3S5

Howard Manis

Tel: (416) 364-1553
Fax: (416) 364-1453
Email: hmanis@msmlaw.net

Lawyers for the Level 2 Creditors / the Luongo Creditors

AND

TO: **William Harvey Jones, Barrister & Solicitor**

401 Bay Street, Suite 2702
Toronto, ON M5H 2Y4
Email: whjones@williamjones.ca

Lawyers for Andrew Turner

BY COURIER

TO: **Raymond Jarvis**
65 Main Street West
Huntsville, ON P1H 1W9

AND

TO: **John Jarvis**
14 Glenwood Drive
Huntsville, ON P1H 1B8

AND

TO: **Canadian Western Trust Company**
750 Cambie Street, Suite 300
Vancouver, BC V6B 0A2

AND

TO: **MCAP Holdings Inc.**
c/o Canadian Western Trust Company
750 Cambie Street, Suite 300
Vancouver, BC V6B 0A2

AND

TO : **The Town of Huntsville**
General Town Hall
37 Main St. East
Huntsville, ON P1H 1A1

AND

TO : **The District Municipality of Muskoka**
70 Pine Street
Bracebridge, ON P1L 1N3

AND

TO : **Deborah Brannan**
845 Wilson Ave., Suite 201
Toronto, ON M3K 1E6

AND

TO : **Water Dragon Holdings Inc.**
845 Wilson Ave., Suite 201
Toronto, ON M3K 1E6

AND

TO : **Muskoka Standard Condominium Corporation No. 80**
3 Crescent Rd
Huntsville, ON P1H 1Y3

and c/o Ain Whitehead LLP
27 Clapperton Street, Suite 100A
Barrie, ON L4M 3E6

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Tab 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

-and-

NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND
2209326 ONTARIO LTD.

Respondents

**APPLICANT'S NOTICE OF MOTION
SEEKING DIRECTION ON DISTRIBUTION and ALLOCATION
(returnable June 25, 2021)**

The APPLICANT, Pace Savings & Credit Union Limited ("**Pace**"), will make a Motion to a Judge.

PROPOSED METHOD OF HEARING: The Motion is to be heard:

- ☐ In writing under subrule 37.12.1 (1) because it is (*insert one of* on consent, unopposed or made without notice);
- ☐ In writing as an opposed motion under subrule 37.12.1 (4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

at the following location:

<https://harrisonpensa.zoom.us/j/83457323955?pwd=THUybERSOFZkZVVVMmgrMVp3ekVzQT09>

Meeting ID: **834 5732 3955**
Passcode: **Gilmore1!**

On Friday, June 25, 2021 at 11:00 a.m., or as soon after that time as the Motion can be heard by judicial teleconference via Zoom at Toronto, Ontario.

THE MOTION IS FOR:

1. That the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged so that this motion is properly returnable today, and dispensing with further service and confirmation hereof;
2. An Order, directing the distribution and allocation of the Holdback (as defined below) as between Pace and the Luongo Creditors (as defined below);
3. The Applicant's costs of this motion; and,
4. Such further and other relief as counsel may request and this honourable court may permit.

THE GROUNDS FOR THE MOTION ARE:

This motion is to be heard following the Receiver's motion seeking an Order generally for distribution and discharge.

Parties and Background

1. Pursuant to the Appointing Order of the Honourable Justice Hainey issued February 20, 2021 (the "**Appointing Order**"), msi Spergel inc. (the "**Receiver**") was appointed Receiver over all property of the Respondents, Noble House Development Corporation ("**Noble House**"), 2307400 Ontario Inc. ("**230 Inc.**"), and 2209326 Ontario Ltd. ("**220 Ltd.**"), collectively with 230 Inc. and Noble House, the "**Debtors**").
2. The Property of the Debtors over which the Receiver was appointed included the following real property:

- a. Real property owned by the Debtors, 230 Inc. and 220 Ltd., municipally known as Units 1-14, Level 1, 3 Crescent Road, Huntsville, Ontario (the “**Storage Units**”), and legally described in PINS 48880 - 0001 LT to 48880 - 0014 LT, inclusive; and,
 - b. Real Property owned by Noble House, and municipally described as Unit 1, Level 2, 3 Crescent Road, Huntsville, Ontario (the “**Office Property**”), and legally described in PIN 48880-0015 LT.
3. The Storage Units and the Office Property form part of a complex municipally known as 3 Crescent Road, Huntsville, Ontario, consisting of self-storage units and office space.
4. At the time of the Appointing Order, the condominium corporation responsible for the Crescent Road Property was in non-compliance with its obligations under the *Ontario Condominium Act*.
5. The Applicant, Pace, is the first mortgagee of the Storage Units. Pasquale Luongo, Bruno Rositano, and Cristina Rositano (collectively, the “**Luongo Creditors**”) are the first mortgagees of the Office Property (the “**Luongo Charge**”).
6. Following its appointment, the Receiver and Pace entered into discussions with the Luongo Creditors with respect to the Office Property. The Luongo Creditors took no steps to have the Office Property carved out of the Receivership proceedings.

Crescent Road Sale and Allocation

7. The Crescent Road Property was sold by the Receiver pursuant to an Agreement of Purchase and Sale dated November 10, 2020 (the “**Crescent Road APS**” and the “**Crescent Road Sale**”, respectively), as approved by the Court on January 11,

2021 with the issuance of an Approval and Vesting Order (the “**Approval and Vesting Order**”).

8. Pursuant to the Crescent Road APS, the purchase price of the Crescent Road Property was allocated approximately 95% to the Storage Units, and approximately 5% to the Office Property, and was based on square footage.

May 25 Motion

9. On May 25, 2021, the parties appeared before the Honourable Justice Dunphy to determine, *inter alia*, the issue of distribution of the net sale proceeds of the Crescent Road sale (the “**Sale Proceeds**”) as between Pace and Luongo Creditors.
10. Pace takes the position that the Sale Proceeds should be allocated as between Pace and the Luongo Creditors pursuant to the same allocation set out in the Crescent Road APS, 95% to Pace, and 5% to the Luongo Creditors. Under this allocation, each creditor will suffer a shortfall.
11. The Luongo Creditors took the position that the Sale Proceeds should be allocated such that all amounts under the Luongo Charge are fully satisfied, prior to any allocation to Pace, such that only Pace suffers a shortfall.
12. In his endorsement of May 26, 2021, Dunphy J. required that the amount in dispute as between Pace and the Luongo Creditors be held back from any amounts to be otherwise distributed by the Receiver, pending the outcome of this motion (the “**Holdback**”).
13. The allocation of the Sale Proceeds ought to be fair and even-handed among Pace and Luongo, upon an objective basis of allocation and is in the discretion of the Court.

14. It is the position of Pace that the Sale Proceeds, including the Holdback, be allocated as between Pace and the Luongo Creditors at the same rate as set out in the Crescent Road APS, such that 95% of the net Sale Proceeds are allocated to Pace, and the remainder of approximately 5% are allocated to the Luongo Creditors.
15. Rules 2, 3, 37, and 38 of the Rules of *Civil Procedure*, RRO 1990, Reg. 199, as amended.
16. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Appointment Order;
2. The Affidavit of Paul Waters, sworn June 5, 2021, and the Exhibits thereto; and
3. Such materials as counsel may advise and this Honourable Court may permit.

June 8, 2021

HARRISON PENSA LLP

Barristers & Solicitors
450 Talbot St.
London, ON N6A 4K3

Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #69806O)

Tel: 519-679-9660
Fax: 519-667-3362
thogan@harrisonpensa.com
rdanter@harrisonpensa.com

Solicitors for the Applicant,
Pace Savings & Credit Union Limited

TO: Service List

PACE SAVINGS & CREDIT UNION LIMITED

v.

NOBLE HOUSE DEVELOPMENT CORPORATION et al

Applicant

Respondents

Court File No. CV-20-00635946-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

HARRISON PENZA LLP
Barristers & Solicitors
450 Talbot Street
London, ON N6A 5J6

Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO# 69806O)

Tel : (519) 661-6725

Fax: (519) 667-3362

Email: thogan@harrisonpenza.com
rdanter@harrisonpenza.com

Lawyers for the Applicant,
Pace Savings & Credit Union Limited

Tab 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

-and-

NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND
2209326 ONTARIO LTD.

Respondents

AFFIDAVIT OF PAUL WATERS
(sworn June 5, 2021)

I, **Paul Waters**, of the City of Pickering, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. I am a Director, Commercial Risk Accounts with the Applicant, Pace Savings & Credit Union Limited ("**Pace**") and as such have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, these matters are within my own knowledge and are true. Where I have indicated that I have obtained facts from other sources, I have identified the source and I believe those facts to be true.

The Parties and the Crescent Road Property

2. Pursuant to the Appointment Order of the Honourable Justice Hainey issued February 20, 2021 (the "**Appointing Order**"), msi Spergel inc. ("**Spergel**" or the "**Receiver**") was appointed Receiver over all property of the Respondents, Noble House Development Corporation ("**Noble House**"), 2307400 Ontario Inc. ("**230 Inc.**"), and 2209326 Ontario Ltd. ("**220 Ltd.**"), collectively with 230 Inc. and Noble

House, the “Debtors”). Attached hereto to this my affidavit and marked as **Exhibit “A”** is a true copy of the Appointing Order.

3. The Property of the Debtors over which the Receiver was appointed included the following real property:

- a. Real property owned by the Debtors, 230 Inc. and 220 Ltd., municipally known as Units 1-14, Level 1, 3 Crescent Road, Huntsville, Ontario (the “**Storage Units**”), and legally described in PINS 48880 - 0001 LT to 48880 – 0014 LT. inclusive; and,

- b. Real Property owned by Noble House, and municipally described as Unit 1, Level 2, 3 Crescent Road, Huntsville, Ontario (the “**Office Property**”), and legally described in PIN 48880-0015 LT.

(collectively, the “**Crescent Road Property**”)

4. The Storage Units and the Office Property form part of a condominium complex municipally known as 3 Crescent Road, Huntsville, Ontario, which was operated as a self-storage company. The Office Property forms the office portion of this complex.
5. At the time of the Appointing Order, the Receiver determined that the condominium corporation responsible for the Crescent Road Property was in serious non-compliance with its obligations under the Ontario *Condominium Act*, as set out in the First Report (as defined below).

6. After taking possession of the Crescent Road Property, the Receiver also determined that there were significant environmental issues affecting the Crescent Road Property, as set out in the First Report.
7. Pace is also aware that the roof of the Crescent Road Property was in poor condition, requiring extensive repairs. Attached hereto to this my affidavit and marked as **Exhibit “B”** is a true copy of a quote dated August 28, 2017 relating to these repairs, which to Pace’s knowledge remained incomplete at the time of the Appointing Order.
8. The Applicant, Pace, is the first mortgagee of the Storage Units. Pasquale Luongo, Bruno Rositano, and Cristina Rositano (collectively, the **“Luongo Creditors”**) are the first mortgagees of the Office Property (the **“Luongo Charge”**). The Office Property is currently tenanted.

Crescent Road Sale

9. The Crescent Road Property was sold by the Receiver pursuant to an Agreement of Purchase and Sale dated November 10, 2020 (the **“Crescent Road APS”** and the **“Crescent Road Sale”**, respectively), which sale was approved by the Court on January 11, 2021 with the issuance of an Approval and Vesting Order of the same date (the **“Approval and Vesting Order”**). Attached hereto to this my affidavit and marked as **Exhibit “C”** is a true copy of the Crescent Road APS. Attached hereto to this my affidavit and marked as **Exhibit “D”** is a true copy of the Approval and Vesting Order.
10. Pursuant to Schedule “E” of the Crescent Road APS, the purchase price of the Crescent Road Property was allocated approximately 95% to the Storage Units,

and approximately 5% to the Office Property, and was based on square footage (the “**Sale Proceeds**”). Attached hereto to this my affidavit and marked as **Exhibit “E”** is a true copy of Schedule “E” to the Crescent Road APS.

11. I have reviewed both the affidavit of Giuseppe Luongo sworn January 6, 2021, and all Exhibits thereto (the “**Luongo Affidavit**”), as well as the First Report of the Receiver dated December 21 2020 (the “**First Report**”). Attached hereto to this my affidavit and marked as **Exhibit “F”** is a true copy of the Luongo Affidavit, without Exhibits. Attached hereto to this my affidavit and marked as **Exhibit “G”** is a true copy of the First Report, without Appendices.

Notice to the Luongo Creditors

12. Counsel to the Luongo Creditors first communicated with Pace's lawyer by e-mail on May 11, 2021. Attached hereto to this my affidavit and marked as **Exhibit “H”** is a true copy of an email from Zafir Khan, as counsel to the Luongo Creditors, to Pace dated May 11, 2020.
13. I am aware that Mr. Khan and the Receiver did continue to communicate over the summer of 2020 regarding the status of the Crescent Road Property.
14. On August 4, 2020, Mr. Khan contacted the Receiver to discuss the possibility of the appointment of the Receiver as an administrator of the Crescent Road Property pursuant to the Ontario *Condominium Act*, given the serious deficiencies noted with regard to the Crescent Road Property condominium corporation. Attached hereto to this my affidavit and marked as **Exhibit “I”** is a true copy of an email from Zafir Khan, as counsel to the Luongo Creditors, to the Receiver dated August 4, 2020.

15. I am advised by my counsel and do verily believe that, following discussions between the Receiver, Receiver's counsel, Pace's counsel, and Mr. Khan as counsel for the Luongo Creditors, it was determined that the appointment of an administrator would be too costly and complicated, and that it was preferable to leave the Crescent Road Property in general, and the Office Property in particular, under the Receivership.

Appraisals

16. In support of their position, the Luongo Creditors have provided an appraisal and an opinion as to value of the Office Property, as set out in the Luongo Affidavit:
- a. Appraisal Report dated August 16, 2018 and assigning a market value of \$400,000 to the Office Property (the "**Luongo Appraisal**"). Attached hereto to this my affidavit and marked as **Exhibit "J"** is a true copy of the Luongo Appraisal; and,
 - b. Opinion of Value dated January 6, 2021 and assigning a market value of \$440,000 to the Office Property (the "**Luongo Opinion of Value**"). Attached hereto to this my affidavit and marked as **Exhibit "K"** is a true copy of the Luongo Opinion of Value.
17. The Receiver did obtain its own appraisal of the Crescent Road Property prior to commencing any sales process in relation to same.
18. Pace has a draft appraisal of the Crescent Road Property, dated April 29, 2019, and assigning a market value of \$4,100,000 - \$5,000,000 to the Crescent Road Property as a whole.

19. In response to the Receiver's motion seeking the Approval and Vesting Order, an affidavit sworn January 6, 2021 was filed by John Jarvis, a guarantor to Pace, which included the following as exhibits:

- a. Appraisal Report dated September 8, 2014, and assigning a market value of \$5,200,000 to the Crescent Road Property as a whole. Attached hereto to this my affidavit and marked as **Exhibit "L"** is a true copy of the Appraisal Report dated September 8, 2014; and,
- b. Appraisal report dated June 28, 2017, and assigning a market value of \$8,000,000 to the Crescent Road Property as a whole. Attached hereto to this my affidavit and marked as **Exhibit "M"** is a true copy of the Appraisal Report dated June 28, 2017.

20. This affidavit is made in support of Pace's position in the within motion, and for no other or improper purpose.

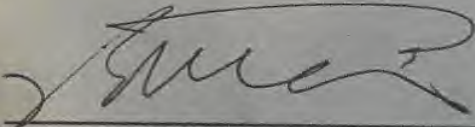
Sworn or Affirmed before me: ☐ in person OR ☒ by video conference

by Paul Waters, of the City of Pickering in the Province of Ontario, before me at the City of London in the Province of Ontario, on June 5th, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)



Signature of Commissioner (or as may be)



PAUL WATERS

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

-and-

NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND
2209326 ONTARIO LTD.

Respondents

ATTACHED HERETO ARE EXHIBITS "A" TO "M"
AS REFERRED TO IN THE AFFIDAVIT OF PAUL WATERS,
SWORN BEFORE ME BY VIDEOCONFERENCE ON JUNE 5th, 2021.



A Commissioner, etc.

EXHIBIT "A"

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

THURSDAY, THE 20th

JUSTICE HAINES

DAY OF FEBRUARY, 2020



PACE SAVINGS & CREDIT UNION LIMITED

Applicant

- and -

NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND
2209326 ONTARIO LTD.

Respondents

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing *msi Spargel Inc.* as receiver (in such capacities, the "Receiver") without security of all of the assets, undertakings and properties of Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd. (collectively, the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, and of the real property described at Schedule "A" to this Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Paul Waters sworn February 6, 2020 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, Pace Savings & Credit Union Limited and any other party present, all parties duly served as appears from the affidavit of service

of Lindsay Provost sworn February 10, 2020 and on reading the consent of msi Spergel Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, msi Spergel Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, and which includes the real property described at Schedule "A" to this Order (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating

such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000 and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act*, or section 31 of the *Ontario Mortgages Act*, as the case may be, shall not be required, and in each case the *Ontario Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this

paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including

without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA AND CASL

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

16. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*,

the Ontario *Environmental Protection Act*, the Ontario *Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its

fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.spargelcorporate.ca.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of his powers and duties hereunder.

29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors, or any of them.

30. 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

32 THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

53. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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

FEB 20 2020

PER, PAN

SCHEDULE "A"

REAL PROPERTY

UNIT 1, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0001 LT)

UNIT 2, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0002 LT)

UNIT 3, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0003 LT)

UNIT 4, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0004 LT)

UNIT 5, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0005 LT)

UNIT 6, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0006 LT)

UNIT 7, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0007 LT)

UNIT 8, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0008 LT)

UNIT 9, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0009 LT)

UNIT 10, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0010 LT)

UNIT 11, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0011 LT)

UNIT 12, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0012 LT)

UNIT 13, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0013 LT)

UNIT 14, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0014 LT)

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd. acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, which includes the real property described at Schedule "A" to the Order, as defined below (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 20__ (the "Order") made in an action having Court file number ____-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

msi Spergel Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

PACE SAVINGS & CREDIT UNION LIMITED

v.

NOBLE HOUSE DEVELOPMENT CORPORATION et al

Applicant

Respondents

Court File No. CV-20-00635946-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

ORDER

HARRISON PENZA LLP
Barristers & Solicitors
450 Talbot Street
London, Ontario
N6A 5J6

Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO# 69806O)
Tel : (519) 661-6725
Fax: (519) 667-3362

Lawyers for the Applicant,
Pace Savings & Credit Union Limited

EXHIBIT "B"



R.R.#6, 205 Stephenson Rd. 1 West, Bracebridge, ON P1L 1X4
Phone: 705-646-1801 • Fax: 705-646-1461
info@advancedroofingmuskoka.com
WSIB & LIABILITY INSURED

JOB ESTIMATE

Name John Jarvis
Address 3 Crescent Rd, Huntsville
Phone 788 6283
Date August 28, 2017

**Fibreglass Shingles • Cedar Shingles & Shakes • Built Up Flat Roofing
Single Ply Rubber Membranes • Metal Roofing • Custom Sheet Metal Work**

Job Description:

ROOF #1

- Supply and install 1 layer of 3" rigid insulation ISO board to flat roof area as per diagram
- Supply and install mechanically fastened 60 mil single ply PVC membrane to ISO board
- Replace all necessary metal flashings
- Reflash all permanent roof obstructions
- Supply and install new roof drains
- Clean up and dispose of all debris returning area to original state

10 year workmanship warranty

**Cheque, Visa or Mastercard accepted. Unless other arrangements have been made:
Deposit of 50% when material ordered. Balance due upon completion of job.**

This estimate is for completing the job as described above. It is based on our evaluation and does not include material price increases or additional labour; and materials which may be required should unforeseen problems or adverse weather conditions arise after the work has started, not responsible for wind and hail damage or any damages caused by ice backup due to poor ventilation, heat loss or any construction deficiencies. Not responsible for loss of satellite service, or any damage to interior fixtures.

Sub Total	\$136000.00
H.S.T.	17680.00
TOTAL	\$153680.00

Estimated Job Cost: _____ Estimated By: Darryl

Date of Acceptance: _____ Signature: _____



R.R.#6, 205 Stephenson Rd. 1 West, Bracebridge, ON P1L 1X4

Phone: 705-646-1801 • Fax: 705-646-1461

info@advancedroofingmuskoka.com

WSIB & LIABILITY INSURED

JOB ESTIMATE

Name John Jarvis

Address 3 Crescent Rd, Huntsville

Phone 788 6283

Date August 28, 2017

**Fibreglass Shingles • Cedar Shingles & Shakes • Built Up Flat Roofing
Single Ply Rubber Membranes • Metal Roofing • Custom Sheet Metal Work**

Job Description:

ROOF #2


- Supply and install 1 layer of 1" rigid insulation ISO board to flat roof area as per diagram
- Supply and install mechanically fastened 60 mil single ply PVC membrane to ISO board
- Replace all necessary metal flashings
- Reflash all permanent roof obstructions
- Supply and install new roof drains
- Clean up and dispose of all debris returning area to original state

10 year workmanship warranty

**Cheque, Visa or Mastercard accepted. Unless other arrangements have been made:
Deposit of 50% when material ordered. Balance due upon completion of job.**

This estimate is for completing the job as described above. It is based on our evaluation and does not include material price increases or additional labour; and materials which may be required should unforeseen problems or adverse weather conditions arise after the work has started, not responsible for wind and hail damage or any damages caused by ice backup due to poor ventilation, heat loss or any construction deficiencies. Not responsible for loss of satellite service, or any damage to interior fixtures.

Sub Total	\$88000.00
H.S.T.	11440.00
TOTAL	\$99440.00

Estimated Job Cost: _____ Estimated By: 

Date of Acceptance: _____ Signature: _____



R.R.#6, 205 Stephenson Rd. 1 West, Bracebridge, ON P1L 1X4
Phone: 705-646-1801 • Fax: 705-646-1461
info@advancedroofingmuskoka.com
WSIB & LIABILITY INSURED

JOB ESTIMATE

Name John Jarvis
Address 3 Crescent Rd, Huntsville
Phone 788 6283
Date August 28, 2017

**Fibreglass Shingles • Cedar Shingles & Shakes • Built Up Flat Roofing
Single Ply Rubber Membranes • Metal Roofing • Custom Sheet Metal Work**

Job Description:

ROOF #3

- Supply and install 1 layer of 3" rigid insulation ISO board to flat roof area as per diagram (approximately 3000 square feet)
- Supply and install mechanically fastened 60 mil single ply PVC membrane to ISO board
- Replace all necessary metal flashings
- Reflash all permanent roof obstructions
- Supply and install new roof drains
- Clean up and dispose of all debris returning area to original state

10 year workmanship warranty

**Cheque, Visa or Mastercard accepted. Unless other arrangements have been made:
Deposit of 50% when material ordered. Balance due upon completion of job.**

This estimate is for completing the job as described above. It is based on our evaluation and does not include material price increases or additional labour; and materials which may be required should unforeseen problems or adverse weather conditions arise after the work has started, not responsible for wind and hail damage or any damages caused by ice backup due to poor ventilation, heat loss or any construction deficiencies. Not responsible for loss of satellite service, or any damage to interior fixtures.

Sub Total	\$28000.00
H.S.T.	3640.00
TOTAL	\$31640.00

Estimated Job Cost: _____ Estimated By: Darryl

Date of Acceptance: _____ Signature: _____

Roof # 1

upper

Tar & Gravel Now

Roof # 2

upper

Tar & Gravel Now

3

lower Ballastec
EPDM Roof
Now

EXHIBIT "C"

AGREEMENT OF PURCHASE AND SALE
(3 CRESCENT ROAD, HUNTSVILLE, ONTARIO)

THIS AGREEMENT dated as of the 10 day of November, 2020.

BETWEEN:

MSI SPERGEL INC., solely in its capacity as Court-appointed receiver of **NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND 2209326 ONTARIO LTD.** and not in its personal or corporate capacity and without personal or corporate liability.

(the "**Vendor**" or "**Receiver**")

OF THE FIRST PART

- and -

Shaffiq Dar in trust for a company to be named later

(the "**Purchaser**")

OF THE SECOND PART

IN CONSIDERATION of the mutual agreements contained in this Agreement, the sufficiency of which is acknowledged by each of the Vendor and the Purchaser, the Vendor and the Purchaser agree as follows:

1. DEFINITIONS

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) "**Act**" means, for purposes of Section 16 hereof only, the *Excise Tax Act* (Canada);
- (b) "**Agreement**" means this agreement of purchase and sale executed by the Purchaser and accepted by the Vendor, together with the attached schedules;
- (c) "**Approval and Vesting Order**" shall have the meaning ascribed thereto in Section 13(a) hereof and shall be substantially in the form attached as Schedule "D";
- (d) "**Approval Condition Date**" shall have the meaning ascribed to it in Section 11 hereof;

- (e) **"Buildings"** means the buildings, improvements, installations and fixtures of every nature and kind situate in, on and/or over the Lands;
- (f) **"Business Day"** means any day other than a Saturday or a Sunday or a statutory holiday in the Province of Ontario;
- (g) **"Claims"** means security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, writs of seizure and sale, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise;
- (h) **"Closing"** shall have the meaning ascribed to it in Section 6 hereof;
- (i) **"Condominium Corporation"** shall mean Muskoka Standard Condominium No. 80 ("MSCC 80").
- (j) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- (k) **"Court Order"** means the order of the Honourable Justice Hainey dated the 20th day of February, 2020, whereby the Vendor was appointed receiver of Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd., and was given authority to sell, convey, transfer, lease or assign the Lands or any part or parts thereof, a copy of which order is attached as Schedule "A";
- (l) **"Damages"** shall have the meaning ascribed to it in Section 8 hereof;
- (m) **"Date of Closing"** shall have the meaning ascribed to it in Section 6 hereof;
- (n) **"Deposit"** shall have the meaning ascribed to it in Section 3(a) hereof;
- (o) **"DRA"** shall have the meaning ascribed to it in Section 7(a)(i) hereof;
- (p) **"Due Diligence Period"** shall have the meaning ascribed to it in Section 12(a)(i) hereof;
- (q) **"Environmental Law"** means any and all applicable international, federal, provincial, state, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgements, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Hazardous Materials;
- (r) **"Government Authority"** means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal government having or claiming to have jurisdiction over part or all of the Purchased Assets, the transaction contemplated in this Agreement and/or one or both of the parties hereto and shall include a board or association of insurance underwriters;
- (s) **"Hazardous Materials"** means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or

materials are or shall become prohibited, controlled or regulated by any Government Authority and any "contaminants", "dangerous substances", "hazardous materials", "hazardous substances", "hazardous wastes", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono- or poly-chlorinated biphenyl wastes;

- (t) "**HST**" shall have the meaning ascribed thereto in Section 16(a) hereof;
- (u) "**ICA**" shall have the meaning ascribed thereto in Section 10(b) hereof;
- (v) "**Lands**" means the lands and premises legally described on Schedule "B" hereto, of which the Vendor intends to sell to the Purchaser together with all easements, rights-of-way, privileges and appurtenances attaching thereto and enuring to the benefit thereof;
- (w) "**Permitted Encumbrances**" means the encumbrances listed in Schedule "C" hereof;
- (x) "**Purchase Price**" shall have the meaning ascribed thereto in Section 3 hereof;
- (y) "**Purchased Assets**" means Units 1 through 14, Level 1, and Unit 1, Level 2, MSCC No. 80,
- (z) "**Purchaser**" means Shaffiq Dar in trust for a company to be named later
- (aa) "**Purchaser's Solicitor**" means RealCorp Law (Telephone No. 905-569-7920), Fax No. _____;
- (bb) "**Registry Office**" shall have the meaning ascribed to it in Section 7(a) hereof;
- (cc) "**Rights**" means the right, title and interest, if any, of Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd. in all benefits, advantages, licences, guarantees, warranties, indemnities, income, rents and options relating to the Lands and the Buildings, to the extent that they are assignable;.
- (dd) "**TERS**" shall have the meaning ascribed to it in Section 7(a) hereof;
- (ee) "**Vendor**" means msi Spergel Inc., solely in its capacity as Court-appointed receiver of Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd. and not in its personal or corporate capacity and without personal or corporate liability;
- (ff) "**Vendor's Deliveries**" shall have the meaning ascribed thereto in Section 5 hereof; and
- (gg) "**Vendor's Solicitors**" means the firm of Aird & Berlis, LLP, 181 Bay Street, Suite 1800, Toronto, Ontario M5J2T9, Attention: Sanj Mitra (416) 865-3085 and by email at smitra@airdberlis.com.

2. **NATURE OF TRANSACTION**

The Purchaser shall purchase and the Vendor shall sell the Purchased Assets, upon and subject to the terms of this Agreement.

3. **PURCHASE PRICE**

The aggregate purchase price (the "Purchase Price") for the Purchased Assets shall be the sum of TWO MILLION EIGHT HUNDRED AND FIFTY THOUSAND Dollars.
The Purchase Price shall be paid, accounted for and satisfied as follows:

- (a) **Deposit:** by the Purchaser delivering to the Vendor concurrently upon the execution of this Agreement by both parties hereto, the sum of ONE HUNDRED THOUSAND Dollars (the "Deposit"), by way of certified cheque, bank draft or wire transfer drawn upon one of Canada's chartered banks, which sum shall be held by the Vendor, in trust, as a deposit pending Closing or termination of this Agreement. Subject only to the terms of this Agreement, the Deposit is to be credited on account of the Purchase Price upon completion of the transaction contemplated in this Agreement. In the event that this Agreement is terminated for any reason other than the default of the Purchaser, the Deposit shall be returned to the Purchaser forthwith, without interest or deduction; and
- (b) **Balance Due at Closing:** the balance of the Purchase Price, net of the Deposit and subject to the adjustments expressly set out in this Agreement, by payment at Closing to the Vendor (or as the Vendor may otherwise direct in writing) by way of wire transfer from one of Canada's chartered banks.

The Vendor and the Purchaser acknowledge and agree that they shall each make their own allocations of the Purchase Price between the Purchased Assets for the purposes of the *Income Tax Act* (Canada) acting reasonably and any filings in accordance with the provisions thereof.

4. **CLOSING AND POST-CLOSING ADJUSTMENTS**

- (a) **Closing Adjustments:** Adjustment shall be made, as of 12:01 a.m. on the Date of Closing, for ~~condominium fees~~, realty taxes, local improvement rates, municipal/provincial levies and charges, water and assessment rates, and/or utilities, provided that the aforementioned items form a lien on title and are not vested out but by the Approval and Vesting Order. There shall be no credit by the Vendor for any rents, deposits or prepaid items not actually received by the Vendor. The Date of Closing shall be for the account of the Purchaser, both as to income and expense.

5. **TERMS OF PURCHASE**

- (a) **"As Is, Where Is":** The Purchaser acknowledges that the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis subject to whatever defects, conditions, impediments, Hazardous Materials or deficiencies which may exist on the Date of Closing, including, without limiting the generality of the foregoing, any latent or patent defects in the Purchased Assets

and such defects as may be revealed in the Vendor's Deliveries. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser shall have conducted such inspections of the condition and title to the Purchased Assets and its lawful use, as it deems appropriate and shall have satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose or use, the existence or non-existence of Hazardous Materials, compliance with any or all Environmental Law, legality of rents, income, merchantability, physical condition, or quality, or lawful use or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Vendor to sell same save and except as expressly provided for in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* of Ontario or pursuant to any other applicable law do not apply hereto and have been waived by the Purchaser. All material, documentation, information, data and descriptions of, and/or in regard to the Purchased Assets contained in this Agreement and/or supplied by the Vendor, its employees, agents, contractors and/or representative, are for the purposes of reference and/or identification only and no representation, warranty or condition has or will be given by the Vendor concerning the accuracy thereof and the Purchaser acknowledges and agrees that it has not placed any reliance thereon but rather has assumed all risk in regard thereto. If the Closing occurs, the Purchaser shall assume any and all risks relating to the physical condition of the Purchased Assets which existed on or prior to the Closing Date. Neither the Purchaser nor any permitted occupant of the Lands shall have any recourse to the Vendor as a result of the nature or condition of the Purchased Assets.

- (b) Without limiting the generality of the foregoing, the Purchaser further acknowledges that the Vendor has made no representation or warranty with respect to or in any way related to the Purchased Assets including the following:
- (i) the existence, validity, terms and conditions of any licenses, permits, consents or other regulatory approvals relating to or in any way connected with the Lands or any matter or thing arising out of or in any way connected therewith;
 - (ii) the conformity of the Lands to past, current or future applicable zoning or building code requirements;
 - (iii) the existence of soil instability, past soil repairs, soil additions or conditions of soil fill;
 - (iv) the sufficiency of any drainage;
 - (v) whether the Lands are located wholly or partially in a flood plain or a flood hazard boundary or similar area;
 - (vi) the existence or non-existence of underground storage tanks;
 - (vii) any other matter affecting the stability or integrity of the Lands;

- (viii) the availability of public utilities and services for the Lands;
 - (ix) the sufficiency or adequacy of any wells and water supply for irrigation or any other purpose;
 - (x) the existence of zoning or building entitlements affecting the Lands;
 - (xi) whether any fixtures attaching to the Lands are owned or rented;
 - (xii) that keys or passcodes for the Buildings will be available on the Date of Closing or thereafter.
- (c) **Existing Leases:** The Purchaser agrees to assume all existing leases and occupancy agreements, if any, affecting the Lands on closing.

6. **DATE OF CLOSING**

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thirty (30) PB Subject to the provisions of Sections 11 and 12 hereof, the transaction contemplated hereunder shall be completed (the moment of completion shall be referred to as "Closing") on the day which is ~~ten (10)~~ Business Days after the date upon which the Vendor obtains the Approval and Vesting Order (the "Date of Closing" or the "Closing Date"). SD PB

7. **ELECTRONIC REGISTRATION**

- (a) In the event that the electronic registration system ("TERS") is operative in the relevant land registry office (the "Registry Office"), the following provisions shall apply:
- (i) The Purchaser shall be obliged to retain a solicitor who is both an authorized TERS user and is in good standing with the Law Society of Upper Canada to represent the Purchaser in connection with the completion of the transaction and shall authorize such solicitor to enter into a document registration agreement with the Vendor's Solicitors in the form prepared by The Law Society of Upper Canada, which document version was adopted by the joint LSUC-CBAO Committee on Electronic Registration of Title Documents and which can be viewed at <http://rc.lsuc.on.ca/pdf/membershipServices/dramarch04.pdf> (the "DRA"), establishing the procedures and timing for completing this transaction.
 - (b) If through no fault of the Purchaser's Solicitor or the Vendor's Solicitors TERS is unavailable on the Closing Date, such that the Purchaser's Solicitor is unable to register the Application for registration of the Approval and Vesting Order, then the transaction contemplated by this Agreement shall be completed in escrow in accordance with the terms of the DRA which shall apply until such time as TERS becomes available. Upon TERS becoming available, the Vendor's Solicitors shall advise the Purchaser's Solicitor forthwith and the parties shall arrange to complete the registration of the Application for registration of the Approval and Vesting Order as expeditiously as possible, whereupon the escrow shall be released.

In the event of any conflict or inconsistency between the terms of this Section 7 and the terms of the DRA, the terms of this Section 7 shall prevail.

8. **PRE-CLOSING RISK AND POST-DAMAGE ENTITLEMENTS**

The Purchased Assets are and shall remain at the Vendor's risk until Closing. In the event of material damage to the Purchased Assets prior to the Closing Date, in excess of two hundred and fifty thousand (\$250,000) Dollars, as determined by an independent third party expert appointed by the Vendor ("**Material Damage**"), the Purchaser may, at its option: (a) complete the transaction contemplated by this Agreement without reduction of the Purchase Price, in which event all proceeds of insurance or compensation shall be payable to the Purchaser; or (b) rescind this Agreement, and the parties hereto shall have no further rights and remedies against each other and the Deposit shall be returned to the Purchaser forthwith, without deduction. The Vendor shall use its best efforts to advise the Purchaser, in writing, within twenty-four (24) hours of the Vendor learning of any Material Damage to the Purchased Assets. The Purchaser shall have five (5) days, or such longer period as the Vendor in its sole and absolute discretion may agree to in writing, from delivery of such notice to advise the Vendor in writing as to its election, if any. In the event that the Purchaser fails to notify the Vendor in writing as to its election within the prescribed time period, the Vendor may terminate this Agreement immediately by providing written notice to the Purchaser and the parties hereto shall have no further rights and remedies against each other and the Deposit shall be returned to the Purchaser forthwith, without deduction, failing which, the Purchaser shall be deemed to have elected to complete the transaction in accordance with subparagraph (a) above.

9. **VENDOR'S REPRESENTATIONS AND WARRANTIES**

The Vendor represents and warrants to the Purchaser that, as at the date hereof:

- (a) **Non-Residency**: the Vendor is not now and does not intend to become, prior to Closing, a non-resident of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada); the Vendor is not now and does not intend to become, prior to Closing, an agent or a trustee of such non-resident;
- (b) **Authority to Sell**: MSI SPERGEL INC. has been duly appointed as Receiver of Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd. by the Court Order and has the right, power and authority to market the Purchased Assets for sale and, subject to obtaining the Approval and Vesting Order prior to Closing, on Closing MSI SPERGEL INC., shall have the power and authority to sell, convey, transfer, lease or assign the Purchased Assets as a result of the Court Order, in accordance with and subject to the terms and conditions of this Agreement and the Approval and Vesting Order.

10. **PURCHASER'S REPRESENTATIONS AND WARRANTIES**

The Purchaser represents and warrants to the Vendor that, as at the date hereof:

- (a) **Corporate Matters Regarding Purchaser**: the Purchaser is a corporation duly incorporated, organized and validly subsisting under the laws of Ontario and has all requisite corporate power, authority and capacity to execute and deliver and to perform each of its obligations pursuant to this Agreement; neither the execution

of this Agreement nor the performance (such performance shall include, without limitation, the exercise of any of the Purchaser's rights and compliance with each of the Purchaser's obligations hereunder) by the Purchaser of the transaction contemplated hereunder will violate:

- (i) the Purchaser's articles of incorporation and by-laws;
- (ii) any agreement to which the Purchaser is bound or is a party;
- (iii) any judgement or order of a court of competent authority or any Government Authority; or
- (iv) any applicable law;

and the Purchaser has duly taken, or has caused to be taken, all requisite corporate action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of each of its obligations hereunder; and

- (b) **Investment Canada Act (Canada):** either (i) the Purchaser is not a "non-Canadian", as defined in the *Investment Canada Act (Canada)* ("ICA"); or (ii) if the Purchaser is a "non-Canadian", this transaction is not a reviewable transaction under the ICA, or, if applicable, the Purchaser is a non-Canadian for the purpose of the ICA and will within three (3) Business Days of the execution of this Agreement submit to Investment Canada a fully completed Application for Review with respect to the transaction contemplated in this Agreement and will use its best efforts to obtain Investment Canada Approval within ten (10) days thereafter.
- (c) Each of the Purchaser's representations and warranties contained in this Agreement shall be true at and as of the date hereof and each of such representations and warranties shall continue to be true as at Closing.
- (d) The Purchaser shall have complied with each and every covenant/agreement made by it herein and required to be completed at or prior to Closing.

The Purchaser shall promptly deliver to the Vendor written notice specifying the occurrence or likely occurrence of any event which may result in any of the Purchaser's representations and warranties contained in this Agreement not continuing to be true as at Closing.

11. **CONDITIONS OF CLOSING IN FAVOUR OF THE VENDOR**

- (a) The Vendor's obligations contained in this Agreement shall be subject to the fulfilment at or prior to Closing, of each of the following conditions:
 - (i) **Representations and Warranties:** each of the Purchaser's representations and warranties contained in this Agreement shall be true in all material respects at and as of the date hereof and each of such representations and warranties shall continue to be true in all material respects as at Closing;

- (ii) **Covenants/Agreements:** the Purchaser shall have complied with each and every covenant/agreement made by it herein and required to be completed at or prior to Closing;
- (iii) **Approval and Vesting Order:** the Vendor shall have obtained the Approval and Vesting Order. The Vendor shall not have received notice of appeal in respect to of the Approval and Vesting Order and the Approval and Vesting Order shall not have been stayed, varied or vacated and shall be in full force and effect and no Order restraining or prohibiting Closing shall have been made by the Court; and
- (iv) **Corporate Steps and Proceedings:** all necessary corporate steps and proceedings shall have been taken by the Purchaser to permit the Purchaser's execution of this Agreement and performance of each of the Purchaser's obligations hereunder.

For greater certainty, each of the conditions contained in this Section 11(a) have been inserted for the benefit of the Vendor.

- (b) The Vendor covenants to use reasonable commercial efforts to fulfil or cause to be fulfilled the condition contained in Section 11(iii) and the Purchaser covenants to use its reasonable commercial efforts to fulfil or cause to be fulfilled the conditions contained in Section 11 hereof prior to Closing.
- (c) In the event that any of the foregoing conditions shall not be fulfilled, in whole or in part, at or prior to Closing, the Vendor may, in its absolute and unfettered discretion, terminate this Agreement by written notice to the Purchaser without penalty or liability whatsoever to the Vendor, subject to the provisions of Section 3(a) hereof with respect to the Deposit, and otherwise without cost or other compensation and each of the Vendor and the Purchaser shall be released from their obligations and liabilities.

~~12. **CONDITIONS OF CLOSING IN FAVOUR OF THE PURCHASER**~~

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- (a) The Purchaser's obligations contained in this Agreement shall be subject to the fulfilment, at or prior to Closing, of each of the following conditions:
 - (i) **Due Diligence Period:** the Purchaser shall have a period of seven (7) Business Days commencing on the first day immediately following after the day of execution of this Agreement by the Vendor and the Purchaser to complete its due diligence (the "**Due Diligence Period**"). In the event, this condition is not waived within or at the end of the Due Diligence Period, this Agreement shall be null and void and the Initial Deposit shall be returned to the Purchaser without any deductions.
 - (ii) **Representations and Warranties:** each of the Vendor's representations and warranties contained in this Agreement shall be true in all material respects at and as of the date hereof and each of such representations and warranties shall continue to be true in all material respects as at Closing;

(iii) **Covenants/Agreements:** the Vendor shall have complied with each and every covenant/agreement made by it herein and required to be completed at or prior to Closing; and

(iv) **Approval and Vesting Order:** the Vendor shall have obtained the Approval and Vesting Order. The Vendor shall not have received notice of appeal in respect to of the Approval and Vesting Order and the Approval and Vesting Order shall not have been stayed, varied or vacated and shall be in full force and effect and no Order restraining or prohibiting Closing shall have been made by the Court.

For greater certainty, each of the conditions contained in this Section 12(a) have been inserted for the benefit of the Purchaser.

(b) The Vendor covenants to use reasonable commercial efforts to fulfil or cause to be fulfilled the conditions contained in Subsection 12(a) (i-iii) hereof prior to Closing.

13. **VENDOR'S CLOSING DELIVERIES**

The Vendor covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date expressly provided herein:

- (a) **Approval and Vesting Order:** A copy of the issued and entered approval and vesting order vesting in the Purchaser all right, title and interest of Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd., if any, in and to the Purchased Assets free and clear of all Claims save and except for the Permitted Encumbrances, in accordance with the provisions of this Agreement, substantially in the form as Schedule "D".
- (b) **Statement of Adjustments:** a statement of adjustments prepared in accordance with Section 4 hereof, to be delivered not less than two (2) Business Days prior to Closing. Except as aforesaid, no adjustments shall be allowed to the Purchaser for changes in the Purchased Assets from the time of acceptance of this Agreement up to and including the Closing Date. If the final cost or amount of any item which is to be adjusted cannot be determined at Closing, then the adjustment for such items shall be made at Closing on the basis of the cost or amount as estimated by the Vendor, acting reasonably, as of the Closing Date on the basis of the best evidence available at Closing as to what the final adjustment should be. The estimated adjustments as herein set for shall, for all purposes, be a final adjustment or final adjustments. The Closing Date will be for the Purchaser's account both as to revenue and expense;
- (c) **Direction Regarding Funds:** a direction from the Vendor designating the party or parties to which the balance of the Purchase Price described in Subsection 3(b) hereof shall be paid; in the event that the Vendor designates more than one party then it shall also designate amounts payable to each of the parties;
- (d) **Undertaking to Re-Adjust:** the Vendor shall not be obliged to re-adjust any item on or omitted from the statement of adjustments;

(e) **Readjustments:** The Purchaser hereby acknowledges that there may be outstanding arrears with respect to the real property taxes, ~~condominium fees~~ and utilities and agrees that the Vendor, at its option, shall be entitled to make adjustment on the Statement of Adjustments for such matters or, in the alternative, direct that a portion of the proceeds due on Closing be used to pay out such arrears. The Purchaser further covenants and agrees to deliver an irrevocable direction to the Authority authorizing it to pay to the Vendor any realty tax rebate (together with interest thereon) obtained by the Vendor for the period prior to Closing. Provided that in the event the Authority does not deliver such rebate directly to the Vendor, the Purchaser hereby irrevocably undertakes to deliver realty tax rebate to the Vendor upon either receipt or readjustment of same.

(f) **Non-Residence Certificate:** the Vendor's certificate setting out that the Vendor is not a "non-resident" of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada) and is not the agent nor trustee of a "non-resident"; and

(g) **General Deliveries:** such further documentation relating to the completion of the transaction contemplated hereunder as shall be:

- (i) otherwise referred to herein; or
- (ii) required by law and/or any Government Authority;

Provided that such further documentation is in a form satisfactory to the Vendor, taking into consideration the fact that the Vendor is selling the Purchased Assets as Receiver.

14. **PURCHASER'S CLOSING DELIVERIES**

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendor at or prior to Closing:

- (a) **Direction Regarding Title:** a direction from the Purchaser designating the transferee(s) in the Approval and Vesting Order (required only in the event that the Approval and Vesting Order is to be inscribed in favour of a person/entity other than the Purchaser) provided that any such transferee(s) shall also provide a written agreement with the Vendor to assume and be bound with all of the obligations of the Purchaser under this Agreement;
- (b) **Undertaking To Re-Adjust:** the Purchaser's undertaking to re-adjust any item on or omitted from the statement of adjustments, subject to the limitation contained in Subsection 4(a) hereof;
- (c) **Purchaser's Certificates:** the Purchaser's certificate setting out that each of the Purchaser's representations and warranties contained in this Agreement are true as at Closing and, if applicable, the Purchaser's certificate described in Section 16 hereof;

- (d) **Directors' Resolution**: a certified copy of a resolution of the board of directors of the Purchaser authorizing the execution of this Agreement and performance of each of the Purchaser's obligations hereunder;
- (e) **HST Indemnity**: the indemnity provided for under Section 16 hereof;
- (f) **Certificate of Incumbency**: a certificate of incumbency setting out the names and specimen signatures of each of the directors and officers of the Purchaser;
- (g) **Purchaser's Agents Commissions**: evidence of payment by the Purchaser of any commission or other remuneration payable to the Purchaser's agent, if any, in connection with the purchase of the Purchased Assets, or a certificate from the Purchaser certifying that it has not retained any such agent and that no such commission or other remuneration is payable;
- (h) **Environmental Indemnity**: an environmental indemnity indemnifying and holding the Vendor harmless from any and all damages, claims, actions, losses, costs, liabilities or expenses (collectively "**Damages**") suffered or incurred by the Vendor, directly or indirectly, as a result of or in connection with any of the following, whether arising as a result of the actions of Vendor and/or its predecessors, or of any party claiming through the Vendor, or otherwise, and without restricting the generality of the foregoing, which include Damages incurred in addressing an administrative order by a Government Authority or in addressing a notice, investigation or other process which could reasonably be anticipated to result in such an order:
 - (i) the presence or release of any Hazardous Materials in, on or under the Lands or the threat of a release;
 - (ii) the presence of any Hazardous Materials in, on or under properties adjoining or proximate to the Lands;
 - (iii) any other environmental matters relating to the Lands;
 - (iv) the breach by the Purchaser or those for whom it is responsible at law of any Environmental Law applicable to the Lands; or,
 - (v) the release or threatened release of any Hazardous Materials owned, managed, generated, disposed of, controlled or transported by or on behalf of the Purchaser.
- (i) **Balance Due at Closing**: the balance of the Purchase Price described in Subsection 3(b) hereof; and
- (j) **Further Documentation**: any other documentation relative to the completion of this Agreement as may reasonably be required by the Vendor or the Vendor's Solicitors.

15. **PLANNING ACT (ONTARIO)**

This Agreement shall be effective to create an interest in the Lands for the Purchaser only if Part VI of the *Planning Act* (Ontario) is complied with prior to Closing. The Purchaser shall not require the Vendor to make any statements contemplated by section 50(22) of the *Planning Act* (Ontario) as amended, from time to time or any successor provision thereto. The Purchaser agrees to satisfy itself with respect to compliance with the *Planning Act* (Ontario).

16. **HARMONIZED GOODS AND SERVICES TAX**

(a) **Application of HST to this Agreement:** If the transaction contemplated hereunder shall be subject to the goods and services tax ("HST") levied pursuant to the Act, then HST shall be in addition to and not included in the Purchase Price and shall be collected and remitted in accordance with the Act.

(b) **Self-Assessment:** If part or all of the said transaction is subject to HST and:

- (i) the Vendor is a non-resident of Canada or the Vendor would be a non-resident of Canada but for Subsection 132(2) of the Act; and/or
- (ii) the Purchaser is a "prescribed recipient" under the Act and/or is registered under the Act,

then the Purchaser shall deliver, prior to Closing, its certificate in form prescribed by the Act or, if no such form is prescribed, then in reasonable form, certifying and undertake that the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Government Authority all HST payable in respect of the transaction contemplated hereunder. If Subsection 16(b)(ii) hereof shall be applicable, then the Purchaser's certificate shall also include certification of the Purchaser's prescription and/or registration, as the case may be, and the Purchaser's HST registration number. If the Purchaser shall fail to deliver its certificate, then the Purchaser shall tender to the Vendor, at Closing, in addition to the balance due at Closing described in Subsection 3(b) hereof, an amount equal to the HST that the Vendor shall be obligated to collect and remit in connection with the said transaction.

(c) **HST Indemnity:** The Purchaser shall indemnify and save harmless the Vendor from all taxes, levies claims, liabilities, penalties, interest, costs and legal and other expenses incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the transaction contemplated hereunder and/or the Purchaser failing to comply with the said certificate and undertaking set out in Subsection 16(b).

17. **NOTICE**

Any notice given hereunder shall be in writing and delivered or communicated by telecopier machine to:

in the case of the Purchaser to:

2277 Queen Street East

Toronto , Ontario M5E3N4

Attention: Scott Lyall

Email: scottlyall@sympatico.ca

Fax: _____

with a copy to the Purchaser's Solicitor at;

RealCorp Law

32-3075 Ridgeway Dr.

Mississauga, ON L5L 5M6, Canada

Attention: Shaffiq Dar

Email: sdar@real-corp-law.com

Fax: _____

and in the case of the Vendor to:

Msi Spergel Inc., in its Capacity as
Court-Appointed Receiver of
Noble House Development Corporation, 2307400 Ontario Inc., and
2209326 Ontario Ltd.
200-505 Consumers Road
Toronto, ON M2J 4V8

Attention: Philip H. Gennis

Email: pgennis@spergel.ca

Fax: 416-498-4325

with a copy to the Vendor's Solicitors:

Aird & Berlis LLP

181 Bay Street, Suite 1800

Toronto, Ontario, M5J2T9

Attention: Sanj Mitra

Email: smitra@airdberlis.com

Such notice shall be deemed to have been delivered upon delivery or communicated upon transmission unless such notice is delivered or transmitted outside of usual business hours, in which event the notice shall be deemed to have been delivered or transmitted on the next Business Day. A party may change its address, email address and/or fax number by providing notice in accordance with this Section 17.

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18. **WAIVER OF CONDITIONS**

Except as otherwise provided in this Agreement, all conditions contained herein have been inserted for the benefit of either the Vendor or the Purchaser, as indicated, and are conditions of the obligations of such party to complete the transaction contemplated hereunder at Closing and are not conditions precedent of this Agreement. Any one or more of the said conditions may be waived, in writing, in whole or in part, by the benefiting party without prejudice to the benefiting party's right of termination in the event of the non-fulfilment of any other condition, and, if so waived, this Agreement shall be read exclusive of the said condition or conditions so waived. For greater certainty, the closing of the transaction contemplated hereunder by a party hereof shall be deemed to be a waiver by such party of compliance with any condition inserted for its benefit and not satisfied at Closing.

19. **SEVERABILITY**

If any provision contained in this Agreement or the application thereof to any person/entity or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such provision to persons/entities or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby and each provision contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

20. **DIVISION/HEADINGS**

The division of this Agreement into Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings or captions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any part hereof.

21. **ENTIRE AGREEMENT**

This Agreement and the schedules attached hereto constitute the entire agreement between the Vendor and the Purchaser in respect of the Purchased Assets. Each of the parties acknowledges that, except as contained in this Agreement, there is no representation, warranty, collateral agreement or condition (whether a direct or collateral condition or an express or implied condition) which induced it to enter into this Agreement.

22. **CUMULATIVE REMEDIES**

No remedy conferred upon or reserved to one or both of the parties hereto is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

23. **INTERPRETATION**

This Agreement shall be read with all changes of gender and number as required by the context.

24. **REFERENCES TO STATUTES**

Except as otherwise provided in this Agreement, references to any statute herein shall be deemed to be a reference to such statute and any and all regulations from time to time promulgated thereunder and to such statute and regulations as amended or re-enacted from time to time. Any reference herein to a specific section or sections, paragraph or paragraphs and/or clause or clauses of any statute or regulations promulgated thereunder shall be deemed to include a reference to any corresponding provision of future law.

25. **TIME OF ESSENCE**

Time shall in all respects be of the essence hereof provided that the time for the doing or completing of any matter referred to herein may be extended or abridged by an agreement, in writing, executed by the Vendor and the Purchaser or their respective solicitors who are hereby expressly appointed for that purpose.

26. **CANADIAN FUNDS**

All references to dollar amounts contained in this Agreement shall be deemed to refer to Canadian funds.

27. **TENDER**

Not to limit the provisions of paragraph 7, any tender of notices, documents and/or monies hereunder may be made upon the Vendor or the Purchaser or their respective solicitors. Monies may be tendered by a negotiable cheque certified by a Canadian chartered bank or by an official bank draft drawn upon one of Canada's five largest chartered banks.

28. **FURTHER ASSURANCES**

Except as otherwise expressed herein to the contrary, each party shall, without receiving additional consideration therefore, co-operate with and take such additional actions as may be requested by the other party, acting reasonably, in order to carry out the purpose and intent of this Agreement.

29. **CONFIDENTIALITY**

The Purchaser and its agents, advisors and authorized representatives shall maintain in strict confidence, until Closing, all information and materials delivered or made available pursuant to this Agreement, except as may reasonably be disclosed by the Purchaser:

- (a) to facilitate the procurement of financing for the Purchased Assets;
- (b) to enforce any of its rights/remedies hereunder;
- (c) to enforce any of its other rights/remedies, if any, pursuant to common law, equity or statute; or

- (d) to comply with laws requiring disclosure.

In the event that the transaction contemplated in this Agreement is, for any reason whatsoever, not completed, then the Purchaser shall, upon request from the Vendor, promptly return to the Vendor all materials delivered hereunder and deliver to the Vendor all copies of materials made available hereunder.

30. **NON-BUSINESS DAYS**

In the event that any date specified or any date contemplated in this Agreement shall fall upon a day other than a Business Day, then such date shall be deemed to be the next following Business Day.

31. **DOCUMENTATION PREPARATION AND REGISTRATION**

The Purchaser shall prepare or cause to be prepared the land transfer tax affidavit to be attached to the Approval and Vesting Order described in Subsection 13(a) hereof and the documentation described in Subsections 14(a), (d), (f) and (g) hereof. The Vendor shall prepare or cause to be prepared all other documentation described in Sections 16 and 17 hereof. Each of the parties shall deliver draft documentation to the other not less than five (5) Business Days prior to Closing. Except as otherwise expressly provided in this Agreement, all such documentation shall be in form and have substance satisfactory to the Vendor and the Purchaser, acting reasonably. The Purchaser shall be responsible for and pay all registration costs incurred in connection with the transaction contemplated in this Agreement. Except as otherwise expressly provided in this Agreement, each of the Vendor and the Purchaser shall be responsible for and pay all legal and other professional/consultant fees and disbursements incurred by it, directly or indirectly, in connection with this Agreement.

32. **LAND TRANSFER TAXES, RETAIL SALES TAXES AND PROPERTY TAXES**

The Purchaser shall pay on or prior to Closing all land transfer taxes (as required pursuant to the *Land Transfer Tax Act* (Ontario)) payable in connection with the transfer of the Purchased Assets pursuant to this Agreement.

The Purchaser acknowledges that the Vendor may apply for a reduction in the taxes payable to the municipality with respect to the Lands for the period prior to the Closing Date. The Purchaser agrees that the Vendor shall be entitled to the benefit of any such reduction for the period prior to the closing date. The Purchaser shall execute such directions, acknowledgements and other documents as may be necessary or desirable to ensure that the benefit of any such reduction for the period prior to the Closing Date is received by the Vendor.

33. **GOVERNING LAWS**

This Agreement has been executed in the Province of Ontario and, for all purposes, shall be construed in accordance with and governed by the laws in effect within the Province of Ontario.

34. **ASSIGNMENT**

The Purchaser shall not assign part or all of its interest under this Agreement without the prior written consent of the Vendor, which consent may be arbitrarily withheld. The Vendor shall have the unilateral right in its sole and unfettered discretion to assign this Agreement to any other party at any time prior to Closing provided that such party is the registered owner of the Purchased Assets as of Closing, who, from the time of such assignment, shall be entitled to all of the benefits and shall assume and be subject to all of the obligations and liabilities of the Vendor hereunder and, upon such assignment and written notice thereof given by the Vendor to the Purchaser, the Vendor shall be fully and forever released from all obligations and liability under this Agreement. In this regard, the Purchaser hereby acknowledges and agrees that it shall accept title from the registered owner of the Purchased Assets and will accept such owner's title covenants in lieu of those of the Vendor, in the event that the Vendor is not the registered owner of the Purchased Assets on the Closing Date.

35. **NON-REGISTRATION OF AGREEMENT**

The Purchaser acknowledges that this Agreement is personal to the Purchaser and that this Agreement or any monies paid hereunder do not create an interest in the Lands and the Purchaser further acknowledges that upon any breach of this Agreement by the Vendor, the Purchaser has an adequate remedy in damages. The Purchaser agrees that it will not register or cause or permit to be registered this Agreement and that no reference to or notice of it or any caution, certificate of pending litigation or other similar court process in respect thereof shall be registered on title to the Lands, and the Purchaser shall be deemed to be in default under this Agreement if it makes any registration or causes or permits any registration to be made on title to the Lands prior to the Date of Closing.

36. **VENDOR'S CAPACITY**

It is acknowledged by the Purchaser that msi Spergel Inc. is entering into this Agreement solely in its capacity as Court-appointed receiver of Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd. msi Spergel Inc. shall have no personal or corporate liability under or as a result of this Agreement. Any claim against msi Spergel Inc. shall be limited to and only enforceable against the property and assets then held by or available to it in its capacity as receiver of Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd. and shall not apply to its personal property and other assets held by it in any other capacity. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Purchased Assets.

37. **SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

38. TIME FOR ACCEPTANCE
The offer to purchase comprising this Agreement shall be irrevocable by the Purchaser and open for acceptance by the Vendor until 5:00 o'clock p.m. on the 17th day of November, 2020, after which time, if not accepted and notice of such acceptance communicated to the Purchaser, then the said offer to purchase shall be null and void and of no further force and effect.

I have authority to bind the Corporation.

DATED this 26th day of November, 2020.

By:

Name:

Title:

I have authority to bind the Corporation.

**Schedule "A" – COURT ORDER
OF THE HONOURABLE MR. JUSTICE HAINEY**

February 20, 2020

Court File No. CV-20-00635946-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

JUSTICE HAINEY

THURSDAY, THE 20th

DAY OF FEBRUARY, 2020



PACE SAVINGS & CREDIT UNION LIMITED

Applicant

- and -

**NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND
2209326 ONTARIO LTD.**

Respondents

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MSI Spengel Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd. (collectively, the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, and of the real property described at Schedule "A" to this Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Paul Waters sworn February 6, 2020 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, Pace Savings & Credit Union Limited and any other party present, all parties duly served as appears from the affidavit of service

of Lindsay Provost sworn February 10, 2020 and on reading the consent of msi Spergel Inc. to act as the Receiver.

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, msi Spergel Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, and which includes the real property described at Schedule "A" to this Order (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating

such terms and conditions of sale as the Receiver in its discretion may deem appropriate:

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business.
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000 and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause:

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this

paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including

without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA AND CASL

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

16. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*.

the Ontario *Environmental Protection Act*, the Ontario *Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its

fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.spergelcorporate.ca.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors, or any of them.

30. 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.

31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

33. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Justice, Ontario Superior Court of Justice
(Commercial List)

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

FEB 20 2020

PER / PAR

SCHEDULE "A"

REAL PROPERTY

UNIT 1, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0001 LT)

UNIT 2, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0002 LT)

UNIT 3, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0003 LT)

UNIT 4, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0004 LT)

UNIT 5, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0005 LT)

UNIT 6, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0006 LT)

UNIT 7, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0007 LT)

UNIT 8, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0008 LT)

UNIT 9, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE (PIN 48880 - 0009 LT)

UNIT 10, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390: TOWN OF HUNTSVILLE (PIN 48880 - 0010 LT)

UNIT 11, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390: TOWN OF HUNTSVILLE (PIN 48880 - 0011 LT)

UNIT 12, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390: TOWN OF HUNTSVILLE (PIN 48880 - 0012 LT)

UNIT 13, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390: TOWN OF HUNTSVILLE (PIN 48880 - 0013 LT)

UNIT 14, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390: TOWN OF HUNTSVILLE (PIN 48880 - 0014 LT)

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd. acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, which includes the real property described at Schedule "A" to the Order, as defined below (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of ____, 20__ (the "Order") made in an action having Court file number __-CL-____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

- 4 -

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of ____, 20__.

msi Spergel Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

PACE SAVINGS & CREDIT UNION LIMITED

v.

NOBLE HOUSE DEVELOPMENT CORPORATION et al

Applicant

Respondents

Court File No. CV-20-00635946-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**
PROCEEDING COMMENCED AT TORONTO

ORDER

HARRISON PENZA LLP
Barristers & Solicitors
450 Talbot Street
London, Ontario
N6A 5J6

Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO# 69806O)
Tel : (519) 661-6725
Fax: (519) 667-3362

Lawyers for the Applicant,
Pace Savings & Credit Union Limited

Schedule "B" – LEGAL DESCRIPTION OF PROPERTY

**UNITS 1 to 14, INCLUSIVE, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM
PLAN NO. 80, TOWN OF HUNTSVILLE**

**UNIT 1, LEVEL 2, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80, TOWN OF
HUNTSVILLE**

Schedule "C" – PERMITTED ENCUMBRANCES

GENERAL

1. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown.
2. Applicable municipal by-laws and regulations provided, in each case the same do not materially adversely affect the use or value of the Purchase Assets for commercial parking purposes.
3. Any right of expropriation, access or user, or any similar rights conferred by or reserved in any statutes of Canada or the Province of Ontario.
4. Unregistered or inchoate statutory liens, charges or encumbrances affecting title to the Property for taxes, assessments, governmental charges or levies not yet due or any other unregistered statutory liens.
5. The exceptions and qualifications contained in paragraphs 7, 8, 9, 10, 12 and 14 of Subsection 44 (1) of the *Land Titles Act*.
6. Any defects or deficiencies which an up-to-date building location survey of the property might reveal.
7. Easements, rights-of-way and/or licenses now registered for the supply and installation of utility services, drainage, telephone services, electricity, gas, storm and/or sanitary sewers, water, cable television and/or any other service(s) to or for the benefit of the Project (collectively, the "Utility Easements"), together with any easement and cost-sharing agreement(s) or reciprocal agreement(s) confirming (or pertaining to) any easement or right-of-way for access, egress, support and/or servicing purposes, and/or pertaining to the sharing of any services, facilities and/or amenities with adjacent or neighboring property owners or any crane access agreements or tieback or shoring agreements provided, in each case the same do not materially adversely affect the use or value of the Purchase Assets for commercial parking purposes.
8. Registered municipal agreements and registered agreements with publicly regulated utilities including without limitation, any development, site plan, subdivision, engineering, heritage easement agreements and/or other municipal agreement (or similar agreements entered into with any governmental authorities), (with all of such agreements being hereinafter collectively referred to as the "Development Agreements") provided, in each case, the terms and conditions of each such Development Agreement has been complied with in all material respects and does not materially adversely affect the use of the Purchase Assets for commercial parking purposes.
9. Agreements relating to any metering, submetering and/or check metering equipment, or relating to the supply of utility services to the Public Parking Garage.
10. Any shared facilities agreements, reciprocal and/or cost sharing agreements, or other agreements, easements or rights-of-way with the Project forming part of the Project and/or adjoining properties including the Reciprocal Operating Agreement provided, in each case, the terms and conditions of each such agreement has been complied with in all material respects and does not materially adversely affect the use the use of the Purchase Assets for commercial parking purposes.

SPECIFIC:

PIN 48880-0015(LT) – Unit 1, Level 2, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Parties From	Parties To
BU2519	1930/10/09	Transfer Easement	Harry Kitchen. et al.	The Bell Telephone Company of Canada. Limited
DM62325	1968/01/08	Bylaw		
DM79260	1970/10/05	Notice of Claim	Harry Kitchen & Alfred Kitchen	The Bell Telephone Company of Canada
DM180696	1984/04/27	Agreement	Claudex Inx.	Town of Huntsville
DM252917	1991/07/31	Agreement	Beaver Lumber Company Limited	Town of Huntsville
DM290896	1996/06/25	Transfer Easement	Town of Huntsville	The District Municipality of Muskoka
DM296056	1997/02/21	Agreement	Precision Panels Ltd.	Town of Huntsville
DM299414	1997/07/28	Agreement	Algonquin Industries International Inc.	Town of Huntsville
DM303917	1998/02/17	Agreement	3276970 Canada Inc.	Town of Huntsville
MT3301	2005/06/28	Notice of Agreement	Home Hardware Stores Limited	The Corporation of the Town of Huntsville
MT151229	2015/04/16	Notice	The District Municipality of Muskoka	2209326 Ontario Ltd. and 2307400 Ontario Inc.
MCP80	2015/05/19	Standard Condo Plan		
MT152390	2015/05/19	Condominium Declaration	2209326 Ontario Ltd. and 2307400 Ontario Inc.	
MT152758	2015/05/29	Condo Bylaw/98 (Bylaw No. 1)	Muskoka Standard Condominium Corporation No. 80	
MT152759	2015/05/29	Condo Bylaw/98 (Bylaw No. 2)	Muskoka Standard Condominium Corporation No. 80	

PIN 48880-0001 to 48800-0014(LT) – Unit 1 to 14, inclusive, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Parties From	Parties To
BU2519	1930/10/09	Transfer Easement	Harry Kitchen, et al.	The Bell Telephone Company of Canada, Limited
DM62325	1968/01/08	Bylaw		
DM79260	1970/10/05	Notice of Claim	Harry Kitchen & Alfred Kitchen	The Bell Telephone Company of Canada
DM180696	1984/04/27	Agreement	Claudex Inc.	Town of Huntsville
DM252917	1991/07/31	Agreement	Beaver Lumber Company Limited	Town of Huntsville
DM290896	1996/06/25	Transfer Easement	Town of Huntsville	The District Municipality of Muskoka
DM296056	1997/02/21	Agreement	Precision Panels Ltd.	Town of Huntsville
DM299414	1997/07/28	Agreement	Algonquin Industries International Inc.	Town of Huntsville
DM303917	1998/02/17	Agreement	3276970 Canada Inc.	Town of Huntsville
MT3301	2005/06/28	Notice of Agreement	Home Hardware Stores Limited	The Corporation of the Town of Huntsville
MT151229	2015/04/16	Notice	The District Municipality of Muskoka	2209326 Ontario Ltd. and 2307400 Ontario Inc.
MCP80	2015/05/19	Standard Condo Plan		
MT152390	2015/05/19	Condo Declaration	2209326 Ontario Ltd. and 2307400 Ontario Inc.	
MT152758	2015/05/29	Condo Bylaw:98 (Bylaw No. 1)	Muskoka Standard Condominium Corporation No. 80	
MT152759	2015/05/29	Condo Bylaw:98 (Bylaw No. 2)	Muskoka Standard Condominium Corporation No. 80	

Schedule "D" FORM OF VESTING ORDER

68447.3

Court File No. CV-20-00635946-00CL

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

THE HONOURABLE

JUSTICE

DAY, THE

DAY OF 2020

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

- and -

**NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND
2209326 ONTARIO LTD.**

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by msi Spergel inc., in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all the assets, undertakings and properties of Noble House Development Corporation ("**Noble House**"), 2307400 Ontario Inc. ("**230**") and 2209326 Ontario Ltd. (together with Noble House and 230, the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, and all proceeds thereof (collectively, the "**Property**"), for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver, as vendor, and [REDACTED] (the "**Purchaser**"), as purchaser, dated [REDACTED], 2020 (the "**Sale Agreement**"), a redacted copy of which is attached to the Report of the Receiver dated [REDACTED], 2020 (the

"Report"), and vesting in the Purchaser the Purchased Assets (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [REDACTED] sworn [REDACTED], 2020, filed.

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. 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 completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Purchased Assets described in the Sale Agreement, including, without limitation, all of the Debtor's right, title and interest in and to the Real Property (as defined herein) listed on Schedule B hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or

otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

(i) any encumbrances or charges created by the Order of The Honourable Mr. Justice Hainey made February 20, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule "B"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **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.

Schedule "A" – Form of Receiver's Certificate

Court File No. CV-20-00635946-00CL

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

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

- and -

**NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND
2209326 ONTARIO LTD.**

Respondents

RECEIVER'S CERTIFICATE

RECITALS

- I. Pursuant to an Order of The Honourable Mr. Justice Hailey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made February 20, 2020, **msi Spergel inc. ("Spergel")** was appointed as receiver (in such capacity, the "**Receiver**"). without security, of all the assets, undertakings and properties of Noble House Development Corporation ("**Noble House**"), 2307400 Ontario Inc. ("**230**") and 2209326 Ontario Ltd. (together with Noble House and 230, the "**Debtor**") and all proceeds thereof (collectively, the "**Property**").
- II. Pursuant to an Order of the Court dated [REDACTED], 2020, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and [REDACTED] (the "**Purchaser**"). as purchaser, dated [REDACTED], 2020 (the "**Sale Agreement**"). and provided for the vesting in the Purchaser of the

Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

III. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

MSI SPERGEL INC., solely in its capacity as the Court-appointed receiver of the Property, and not in its personal capacity or in any other capacity

Per: _____

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

Units 1 to 14, inclusive, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville
PINs 48880-0001 to 48880-0014, inclusive

Unit 1, Level 2, Muskoka Standard Condominium Plan No. 80, Town of Huntsville
PIN 48880-0015

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM TITLE

A. PIN 48880-0015(LT) – Unit 1, Level 2, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
MT151336	2015/04/20	Postponement		Harbouredge Mortgage Investment Corporation	The District Municipality of Muskoka
MT203624	2018/09/10	Transfer	\$375,000.00	DAD Ventures Inc.	Noble House Development Corporation
MT203625	2018/09/10	Charge	\$370,000.00	Noble House Development Corporation	Pasquale Luongo, Giuseppe Luongo, Bruno Rositano and Cristina Rositano
MT203626	2018/09/10	Notice of General Assignment of Rents		Noble House Development Corporation	Pasquale Luongo, Giuseppe Luongo, Bruno Rositano and Cristina Rositano
MT213302	2019/05/29	Construction Lien	\$25,000.00	Dael Thermal Group Inc.	
MT215140	2019/07/08	Certificate of Action		Dael Thermal Group Inc.	
MT227900	2020/05/13	Application Court Order		Ontario Superior Court of Justice	MSI Spengel Inc.

B. PINs 48880-0001, 48880-0002, 48800-0004, 48800-0005 and 48800-0009 to 48800-0014, inclusive being Units 1, 2, 4 and 5, Level 1 and Units 9 to 14, inclusive, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
MT154628	2015/07/05	Charge	\$472,097.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace
MT163881	2016/02/16	Notice		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace
MT191216	2017/10/26	Charge	\$5,500,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191217	2017/10/26	Notice of General Assignment of Rents		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191258	2017/10/26	Postponement		Catherine Elizabeth Wallace and Scott William Wallace	Pace Savings & Credit Union Limited
MT194226	2018/01/04	Charge	\$450,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Canadian Western Trust Company
MT210440	2019/03/05	Caution Land Bankruptcy		William Charles Player	BDO Canada Limited
MT213302	2019/05/29	Construction Lien	\$25,000.00	Dael Thermal Group Inc.	

MT215140	2019/07/08	Certificate of Action		Dael Thermal Group Inc.	
MT225233	2020/02/21	Application Court Order Appointing Receiver		Ontario Superior Court of Justice	MSI Spergel Inc.

C. PIN 48880-0003 – Unit 3, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
MT154628	2015/07/05	Charge	\$472,097.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace
MT163881	2016/02/16	Notice		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace
MT191216	2017/10/26	Charge	\$5,500,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191217	2017/10/26	Notice of General Assignment of Rents		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191258	2017/10/26	Postponement		Catherine Elizabeth Wallace and Scott William Wallace	Pace Savings & Credit Union Limited
MT194226	2018/01/04	Charge	\$450,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Canadian Western Trust Company
MT213302	2019/05/29	Construction Lien	\$25,000.00	Dael Thermal Group Inc.	
MT215140	2019/07/08	Certificate of Action		Dael Thermal Group Inc.	
MT225233	2020/02/21	Application Court Order Appointing Receiver		Ontario Superior Court of Justice	MSI Spergel Inc.

D. PIN 48880-0007 and 48880-0008 – Units 7 and 8, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
MT154626	2015/07/06	Charge	\$375,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Andrew Turner
MT154627	2015/07/06	Notice of General Assignment of Rents		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Andrew Turner
MT154628	2015/07/05	Charge	\$472,097.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace

MT163880	2016/02/16	Postponement		Andrew Turner	Deborah Brannan, Water Dragon Holdings Inc., Canadian Western Trust Company and MCP Holdings Inc.
MT163881	2016/02/16	Notice		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace
MT191216	2017/10/26	Charge	\$5,500,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191217	2017/10/26	Notice of General Assignment of Rents		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191258	2017/10/26	Postponement		Catherine Elizabeth Wallace and Scott William Wallace	Pace Savings & Credit Union Limited
MT194226	2018/01/04	Charge	\$450,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Canadian Western Trust Company
MT210440	2019/03/05	Caution Land Bankruptcy		William Charles Player	BDO Canada Limited
MT213302	2019/05/29	Construction Lien	\$25,000.00	Dael Thermal Group Inc.	
MT215140	2019/07/08	Certificate of Action		Dael Thermal Group Inc.	
MT225233	2020/02/21	Application Court Order Appointing Receiver		Ontario Superior Court of Justice	MSI Spergel Inc.

SCHEDULE "D"
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

A. PIN 48880-0015(LT) – Unit 1, Level 2, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Parties From	Parties To
BU2519	1930/10/09	Transfer Easement	Harry Kitchen, et al.	The Bell Telephone Company of Canada, Limited
DM62325	1968/01/08	Bylaw		
DM79260	1970/10/05	Notice of Claim	Harry Kitchen & Alfred Kitchen	The Bell Telephone Company of Canada
DM180696	1984/04/27	Agreement	Claudex Inc.	Town of Huntsville
DM252917	1991/07/31	Agreement	Beaver Lumber Company Limited	Town of Huntsville
DM290896	1996/06/25	Transfer Easement	Town of Huntsville	The District Municipality of Muskoka
DM296056	1997/02/21	Agreement	Precision Panels Ltd.	Town of Huntsville
DM299414	1997/07/28	Agreement	Algonquin Industries International Inc.	Town of Huntsville
DM303917	1998/02/17	Agreement	3276970 Canada Inc.	Town of Huntsville
MT3301	2005/06/28	Notice of Agreement	Home Hardware Stores Limited	The Corporation of the Town of Huntsville
MT151229	2015/04/16	Notice	The District Municipality of Muskoka	2209326 Ontario Ltd. and 2307400 Ontario Inc.
MCP80	2015/05/19	Standard Condo Plan		
MT152390	2015/05/19	Condominium Declaration	2209326 Ontario Ltd. and 2307400 Ontario Inc.	
MT152758	2015/05/29	Condo Bylaw/98 (Bylaw No. 1)	Muskoka Standard Condominium Corporation No. 80	
MT152759	2015/05/29	Condo Bylaw/98 (Bylaw No. 2)	Muskoka Standard Condominium Corporation No. 80	

B. PIN 48880-0001 to 48800-0014(LT) – Unit 1 to 14, inclusive, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Parties From	Parties To
BU2519	1930/10/09	Transfer Easement	Harry Kitchen, et al.	The Bell Telephone Company of Canada. Limited
DM62325	1968/01/08	Bylaw		
DM79260	1970/10/05	Notice of Claim	Harry Kitchen & Alfred Kitchen	The Bell Telephone Company of Canada
DM180696	1984/04/27	Agreement	Claudex Inc.	Town of Huntsville
DM252917	1991/07/31	Agreement	Beaver Lumber Company Limited	Town of Huntsville
DM290896	1996/06/25	Transfer Easement	Town of Huntsville	The District Municipality of Muskoka
DM296056	1997/02/21	Agreement	Precision Panels Ltd.	Town of Huntsville
DM299414	1997/07/28	Agreement	Algonquin Industries International Inc.	Town of Huntsville
DM303917	1998/02/17	Agreement	3276970 Canada Inc.	Town of Huntsville
MT3301	2005/06/28	Notice of Agreement	Home Hardware Stores Limited	The Corporation of the Town of Huntsville
MT151229	2015/04/16	Notice	The District Municipality of Muskoka	2209326 Ontario Ltd. and 2307400 Ontario Inc.
MCP80	2015/05/19	Standard Condo Plan		
MT152390	2015/05/19	Condo Declaration	2209326 Ontario Ltd. and 2307400 Ontario Inc.	
MT152758	2015/05/29	Condo Bylaw/98 (Bylaw No. 1)	Muskoka Standard Condominium Corporation No. 80	
MT152759	2015/05/29	Condo Bylaw/98 (Bylaw No. 2)	Muskoka Standard Condominium Corporation No. 80	

PACE SAVINGS & CREDIT UNION LIMITED

-and-

**NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400
ONTARIO INC., AND 2209326 ONTARIO LTD.**

Applicant

Respondents

Court File No. CV-20-00635946-00CL

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

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)
Tel: (416) 865-3085
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for the Receiver



Amendment to Agreement of Purchase and Sale



Form 120

for use in the Province of Ontario

BETWEEN:

BUYER: Shaffiq Dar in trust for a company to be named lat

AND

SELLER: MSI SPERGEL INC. solely in its capacity as Court-appointed receiver

RE: Agreement of Purchase and Sale between the Seller and Buyer, dated the 10th day of November, 2020

concerning the property known as 3 Crescent Road

Huntsville ON P1H 1Y3 as more particularly described in the aforementioned Agreement.

The Buyer and Seller herein agree to the following amendment(s) to the aforementioned Agreement:

Delete

38. Time For Acceptance

The offer to purchase comprising this Agreement shall be irrevocable to the Purchaser and open for acceptance by the Vendor until 5:00 o'clock p.m. on the 17th day of November, 2020, after which time, if not accepted and notice of such acceptance communicated to the Purchaser, then the said offer to purchase shall be null and void and of no further force and effect.

Insert

38. Time For Acceptance

The offer to purchase comprising this Agreement shall be irrevocable to the Purchaser and open for acceptance by the Vendor until 5:00 o'clock p.m. on the 24th day of November, 2020; after which time, if not accepted and notice of such acceptance communicated to the Purchaser, then the said offer to purchase shall be null and void and of no further force and effect.

Schedule E Attached.

The parties acknowledge that notwithstanding that the irrevocable date in the Agreement of Purchase and Sale has passed, the parties have agreed to revive the Agreement and the new Irrevocable Date will be 5.00 PM on December 1, 2020.

INITIALS OF BUYER(S):

SD

INITIALS OF SELLER(S):

PG

✓ Seller ✓ PL SD

SD

IRREVOCABILITY: This Offer to Amend the Agreement shall be irrevocable by Buyer until 10:00 (a.m./p.m.) on the 24th day of November, 2020, after which time, if not accepted, this Offer to Amend the Agreement shall be null and void.

For the purposes of this Amendment to Agreement, "Buyer" includes purchaser and "Seller" includes vendor. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective solicitors who are hereby expressly appointed in this regard.

All other Terms and Conditions in the aforementioned Agreement to remain the same, Save except Schedule "F" annexed.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) (Buyer/Seller) (Seal) (Date)

(Witness) (Buyer/Seller) (Seal) (Date)

I, the Undersigned, agree to the above Offer to Amend the Agreement.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Shaffiq Dar Shaffiq Dar 11/18/2020 | 8:49 AM EST
(Witness) (Buyer/Seller) (Seal) (Date)

(Witness) (Buyer/Seller) (Seal) (Date) Nov. 26, 2020

The undersigned spouse of the Seller hereby consents to the amendment(s) hereinbefore set out.

(Witness) (Spouse) (Seal) (Date)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 2:00 pm this 27th day of October, 2020.

DocuSigned by:
Shaffiq Dar
(Signature of Seller or Buyer)
9B967868A4054A8...

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

Shaffiq Dar 11/18/2020 | 8:49 AM
(Seller) (Date) (Buyer) (Date)

Address for Service (Tel. No.) Address for Service (Tel. No.)

Seller's Lawyer Buyer's Lawyer

Address Address

Email Email

(Tel. No.) (Fax. No.) (Tel. No.) (Fax. No.)

Schedule E

Purchase Price Allocation

The Purchase price shall be allocated as follows:

Legal Description:

UNITS 1 to 14, INCLUSIVE, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80, TOWN OF HUNTSVILLE

PINs 48880-0001 to 48880-0014, INCLUSIVE

Purchase Price Allocation: \$2,705,028.23

Legal Description:

UNIT 1, LEVEL 2, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80, TOWN OF HUNTSVILLE

PIN 48880-0015

Purchase Price Allocation: \$144,971.77

Schedule "F"

Paragraph 14(h) of the Agreement of Purchase and Sale is deleted in its entirety and replaced with the following:

- (g) **Environmental Indemnity:** an environmental indemnity indemnifying and holding the Vendor harmless from any and all damages, claims, actions, losses, costs, liabilities or expenses (collectively "**Damages**") suffered or incurred by the Vendor, directly or indirectly, as a result of or in connection with any of the following, whether arising as a result of the actions of Vendor and/or its predecessors, or of any party claiming through the Vendor, or otherwise, and without restricting the generality of the foregoing, which include Damages incurred in addressing an administrative order by a Government Authority or in addressing a notice, investigation or other process which could reasonably be anticipated to result in such an order:
- (i) In connection with any matter raised or which may have been raised in connection with any matter described in the reports of Pinchin Ltd., dated September 4, 2020, October 9, 2020 and October 27, 2020, respectively each of which has been reviewed and considered by the Purchaser.
 - (ii) the presence or release of any Hazardous Materials in, on or under the Purchased Assets or the threat of a release;
 - (iii) the presence of any Hazardous Materials in, on or under properties adjoining or proximate to the Purchased Assets;
 - (iv) any other environmental matters relating to the Purchased Assets;
 - (v) the breach by the Purchaser or those for whom it is responsible at law of any Environmental Law applicable to the Purchased Assets; or,
 - (vi) the release or threatened release of any Hazardous Materials owned, managed, generated, disposed of, controlled or transported by or on behalf of the Purchaser.

DS
SD

P.L.

EXHIBIT "D"

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

THE HONOURABLE MR.)	MONDAY, THE 11TH
)	
JUSTICE CAVANAGH)	DAY OF JANUARY, 2021

B E T W E E N :

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

- and -

**NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND
2209326 ONTARIO LTD.**

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by msi Spergel inc., in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties of Noble House Development Corporation (“**Noble House**”), 2307400 Ontario Inc. (“**230**”) and 2209326 Ontario Ltd. (together with Noble House and 230, the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, and all proceeds thereof (collectively, the “**Property**”), for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Shaffiq Dar in trust for a company to be named later (which was subsequently confirmed as F.P.A.D. Corporation now the “**Purchaser**”), as purchaser, dated November 10, 2020 (the “**Sale**

Agreement”), a copy of which is attached to the First Report of the Receiver dated December 21, 2020 (together with the supplement thereto dated January 7, 2021, the “**Report**”), and vesting in the Purchaser the Purchased Assets (as defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and appendices thereto, the Factum of the Receiver dated January 5, 2021, the Affidavit of Giuseppe Luongo sworn January 6, 2021 and the Affidavit of John Jarvis sworn January 6, 2021, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Christine Doyle, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. 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 completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “**Receiver’s Certificate**”), all of the Purchased Assets described in the Sale Agreement, including, without limitation, all of the Debtor’s right, title and interest in and to the Real Property (as defined herein) listed on Schedule B hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages,

trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of The Honourable Mr. Justice Hailey made February 20, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule "B"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule "C"** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the

same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **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.

8. **THIS COURT ORDERS** that, notwithstanding Rule 59.05 of the *Rules of Civil Procedure* (Ontario), this Order is effective from the date on which it is made, and is enforceable without any need for entry and filing; provided, however, that any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be.

Schedule “A” – Form of Receiver’s Certificate

Court File No. CV-20-00635946-00CL

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

B E T W E E N :

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

- and -

**NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND
2209326 ONTARIO LTD.**

Respondents

RECEIVER’S CERTIFICATE

RECITALS

- I. Pursuant to an Order of The Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made February 20, 2020, msi Spergel inc. (“**Spergel**”) was appointed as receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties of Noble House Development Corporation (“**Noble House**”), 2307400 Ontario Inc. (“**230**”) and 2209326 Ontario Ltd. (together with Noble House and 230, the “**Debtor**”) and all proceeds thereof (collectively, the “**Property**”).
- II. Pursuant to an Order of the Court dated January 11, 2021, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and Shaffiq Dar in trust for a company to be named later (which was subsequently confirmed to be F.P.A.D. Corporation, now

the “**Purchaser**”), as purchaser, dated November 10, 2020 (the “**Sale Agreement**”), and provided for the vesting in the Purchaser of the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

III. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

MSI SPERGEL INC., solely in its capacity as the Court-appointed receiver of the Property, and not in its personal capacity or in any other capacity

Per: _____

Name: _____

Title: _____

SCHEDULE “B”
LEGAL DESCRIPTION OF THE REAL PROPERTY

Units 1 to 14, inclusive, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

PINs 48880-0001 to 48880-0014, inclusive

Unit 1, Level 2, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

PIN 48880-0015

**SCHEDULE “C”
INSTRUMENTS TO BE DELETED FROM TITLE**

A. PIN 48880-0015(LT) – Unit 1, Level 2, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
MT151336	2015/04/20	Postponement		Harbouredge Mortgage Investment Corporation	The District Municipality of Muskoka
MT203624	2018/09/10	Transfer	\$375,000.00	DAD Ventures Inc.	Noble House Development Corporation
MT203625	2018/09/10	Charge	\$370,000.00	Noble House Development Corporation	Pasquale Luongo, Giuseppe Luongo, Bruno Rositano and Cristina Rositano
MT203626	2018/09/10	Notice of General Assignment of Rents		Noble House Development Corporation	Pasquale Luongo, Giuseppe Luongo, Bruno Rositano and Cristina Rositano
MT213302	2019/05/29	Construction Lien	\$25,000.00	Dael Thermal Group Inc.	
MT215140	2019/07/08	Certificate of Action		Dael Thermal Group Inc.	
MT227900	2020/05/13	Application Court Order		Ontario Superior Court of Justice	MSI Spergel Inc.

B. PINs 48880-0001, 48880-0002, 48800-0004, 48800-0006, 48800-0005 and 48800-0009 to 48800-0014, inclusive being Units 1, 2, 4, 5 and 6, Level 1 and Units 9 to 14, inclusive, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
MT154628	2015/07/05	Charge	\$472,097.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace
MT163881	2016/02/16	Notice		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace
MT191216	2017/10/26	Charge	\$5,500,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191217	2017/10/26	Notice of General Assignment of Rents		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191258	2017/10/26	Postponement		Catherine Elizabeth Wallace and Scott William Wallace	Pace Savings & Credit Union Limited
MT194226	2018/01/04	Charge	\$450,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Canadian Western Trust Company
MT210440	2019/03/05	Caution Land Bankruptcy		William Charles Player	BDO Canada Limited
MT213302	2019/05/29	Construction Lien	\$25,000.00	Dael Thermal Group Inc.	
MT215140	2019/07/08	Certificate of Action		Dael Thermal Group Inc.	
MT225233	2020/02/21	Application Court Order Appointing Receiver		Ontario Superior Court of Justice	MSI Spergel Inc.

C. PIN 48880-0003 – Unit 3, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
MT154628	2015/07/05	Charge	\$472,097.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace
MT163881	2016/02/16	Notice		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace
MT191216	2017/10/26	Charge	\$5,500,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191217	2017/10/26	Notice of General Assignment of Rents		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191258	2017/10/26	Postponement		Catherine Elizabeth Wallace and Scott William Wallace	Pace Savings & Credit Union Limited
MT194226	2018/01/04	Charge	\$450,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Canadian Western Trust Company
MT213302	2019/05/29	Construction Lien	\$25,000.00	Dael Thermal Group Inc.	
MT215140	2019/07/08	Certificate of Action		Dael Thermal Group Inc.	
MT225233	2020/02/21	Application Court Order Appointing Receiver		Ontario Superior Court of Justice	MSI Spergel Inc.

D. PIN 48880-0007 and 48880-0008 – Units 7 and 8, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
MT154626	2015/07/06	Charge	\$375,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Andrew Turner
MT154627	2015/07/06	Notice of General Assignment of Rents		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Andrew Turner
MT154628	2015/07/05	Charge	\$472,097.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace
MT163880	2016/02/16	Postponement		Andrew Turner	Deborah Brannan, Water Dragon Holdings Inc., Canadian Western Trust Company and MCP Holdings Inc.
MT163881	2016/02/16	Notice		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Catherine Elizabeth Wallace and Scott William Wallace
MT191216	2017/10/26	Charge	\$5,500,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191217	2017/10/26	Notice of General Assignment of Rents		2209326 Ontario Ltd. and 2307400 Ontario Inc.	Pace Savings & Credit Union Limited
MT191258	2017/10/26	Postponement		Catherine Elizabeth Wallace and Scott William Wallace	Pace Savings & Credit Union Limited
MT194226	2018/01/04	Charge	\$450,000.00	2209326 Ontario Ltd. and 2307400 Ontario Inc.	Canadian Western Trust Company
MT210440	2019/03/05	Caution Land Bankruptcy		William Charles Player	BDO Canada Limited
MT213302	2019/05/29	Construction Lien	\$25,000.00	Dael Thermal Group Inc.	
MT215140	2019/07/08	Certificate of Action		Dael Thermal Group Inc.	
MT225233	2020/02/21	Application Court Order Appointing Receiver		Ontario Superior Court of Justice	MSI Spergel Inc.

SCHEDULE “D”
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

A. PIN 48880-0015(LT) – Unit 1, Level 2, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Parties From	Parties To
BU2519	1930/10/09	Transfer Easement	Harry Kitchen, et al.	The Bell Telephone Company of Canada, Limited
DM62325	1968/01/08	Bylaw		
DM79260	1970/10/05	Notice of Claim	Harry Kitchen & Alfred Kitchen	The Bell Telephone Company of Canada
DM180696	1984/04/27	Agreement	Claudex Inx.	Town of Huntsville
DM252917	1991/07/31	Agreement	Beaver Lumber Company Limited	Town of Huntsville
DM290896	1996/06/25	Transfer Easement	Town of Huntsville	The District Municipality of Muskoka
DM296056	1997/02/21	Agreement	Precision Panels Ltd.	Town of Huntsville
DM299414	1997/07/28	Agreement	Algonquin Industries International Inc.	Town of Huntsville
DM303917	1998/02/17	Agreement	3276970 Canada Inc.	Town of Huntsville
MT3301	2005/06/28	Notice of Agreement	Home Hardware Stores Limited	The Corporation of the Town of Huntsville
MT151229	2015/04/16	Notice	The District Municipality of Muskoka	2209326 Ontario Ltd. and 2307400 Ontario Inc.
MCP80	2015/05/19	Standard Condo Plan		
MT152390	2015/05/19	Condominium Declaration	2209326 Ontario Ltd. and 2307400 Ontario Inc.	
MT152758	2015/05/29	Condo Bylaw/98 (Bylaw No. 1)	Muskoka Standard Condominium Corporation No. 80	
MT152759	2015/05/29	Condo Bylaw/98 (Bylaw No. 2)	Muskoka Standard Condominium Corporation No. 80	

B. PIN 48880-0001 to 48800-0014(LT) – Unit 1 to 14, inclusive, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville

Reg. No.	Date	Instrument Type	Parties From	Parties To
BU2519	1930/10/09	Transfer Easement	Harry Kitchen, et al.	The Bell Telephone Company of Canada, Limited
DM62325	1968/01/08	Bylaw		
DM79260	1970/10/05	Notice of Claim	Harry Kitchen & Alfred Kitchen	The Bell Telephone Company of Canada
DM180696	1984/04/27	Agreement	Claudex Inx.	Town of Huntsville
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MCP80	2015/05/19	Standard Condo Plan		
MT152390	2015/05/19	Condo Declaration	2209326 Ontario Ltd. and 2307400 Ontario Inc.	
MT152758	2015/05/29	Condo Bylaw/98 (Bylaw No. 1)	Muskoka Standard Condominium Corporation No. 80	
MT152759	2015/05/29	Condo Bylaw/98 (Bylaw No. 2)	Muskoka Standard Condominium Corporation No. 80	

PACE SAVINGS & CREDIT UNION LIMITED

-and-

**NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400
ONTARIO INC., AND 2209326 ONTARIO LTD.**

Applicant

Respondents

Court File No. CV-20-00635946-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sanjeev P.R. Mitra (LSO # 37934U)
Tel: (416) 865-3085
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Jeremy Nemers (LSO # 66410Q)
Tel : (416) 865-7724
Fax : (416) 863-1515
Email : jnemers@airdberlis.com

Lawyers for the Receiver

EXHIBIT "E"

Schedule E

Purchase Price Allocation

The Purchase price shall be allocated as follows:

Legal Description:

UNITS 1 to 14, INCLUSIVE, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80, TOWN OF HUNTSVILLE

PINs 48880-0001 to 48880-0014, INCLUSIVE

Purchase Price Allocation: \$2,705,028.23

Legal Description:

UNIT 1, LEVEL 2, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80, TOWN OF HUNTSVILLE

PIN 48880-0015

Purchase Price Allocation: \$144,971.77

EXHIBIT "F"

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

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

and

**NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC. and 2209326
ONTARIO LTD.**

Respondents

AFFIDAVIT OF GIUSEPPE LUONGO

I, Giuseppe Luongo, of the City of Woodbridge, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am one of the chargees/mortgagees on the property legally described as Unit 1, Level 2, Muskoka Standard Condominium Plan No. 80, and municipally known as 3 Crescent Road, Unit 1, Huntsville, Ontario (**the “Property”**), which is subject to the proceedings herein, and as such, have knowledge of the matters hereinafter deposed, except where stated to be on information and belief and in which case, I believe such information to be true.
2. I, along with Pasquale Luongo, Bruno Rositano and Cristina Rositano (**the “Chargees”**), hold a first charge/mortgage on the Property. Our charge was registered as Instrument Number MT203625 on September 10, 2018 (**the “Charge”**). The principal amount of the charge is three hundred seventy thousand dollars (\$370,000.00). One of the Respondents in this matter, Noble House Development Corporation (**“Noble House”**), is the chargor/borrower. Attached hereto as Exhibit “A” is a copy of the charge.

3. The Property is located on the second floor of 3 Crescent Road, Huntsville, Ontario (**the “Building”**), and is a standalone unit that houses a fully furnished office space, which is currently rented by Tulloch Enterprises Inc. (**“Tulloch”**). The Property, therefore, is unique to this Building, in that the remainder of the units on the first floor operate as storage spaces. I understand that some, but not all, of the units on the first floor are tenanted.
4. On August 16, 2019, in anticipation of securing a mortgage on the Property, the Chargees obtained an appraisal report. The report indicated that the Property was valued at four hundred thousand dollars (\$400,000.00). Attached hereto as Exhibit “B” is a copy of the appraisal report.
5. On January 6, 2021, I obtained a Report of Opinion of Value for the Property from Rob MacLean, a sales representative at Lakes of Muskoka Realty Inc. (Royal LePage). This report indicates that the Property is presently valued at four hundred forty thousand dollars (\$440,000.00). Attached hereto as Exhibit “C” is a copy of this report.
6. Therefore, from all indications, there is equity in the Property.
7. On or about December 31, 2019, Noble House defaulted on the mortgage. Subsequent to that default, on February 18, 2020, my lawyer, Zafir Khan at Rutman & Rutman Professional Corporation, issued a Notice of Sale to Noble House, the guarantors on the mortgage, as well as the other interested parties on the Property. A Statement of Claim was also issued on March 2, 2020. My lawyer obtained an Order for Possession on May 5, 2020. Attached as Exhibit “D” is a copy of the Notice of Sale, Statement of Claim, and the Order of Healey J. granting possession of the Property.
8. During this time, I understand that Pace Savings & Credit Union Limited (**“Pace”**) applied for, and obtained, an Order appointing msi Spergel Inc. (**“Spergel”**) as court-appointed receiver of the assets owned by the Respondents, which includes the Property. The Chargees were never served with the Application Record, and I have been advised by my lawyers, which I believe to be true, that they were never served with the Application Record. Therefore, the Chargees were never aware of these proceedings at the time, did not receive a copy of the Order appointing Spergel as the receiver (**the “Order”**), and had no knowledge of these proceedings while we proceeded with the power of sale. The Property was not included in the Schedule to the Order. Pace also does not have a charge registered on the Property.

9. The Chargees first became aware of these proceedings in May, 2020. At that time, the solicitors for Pace, and Phillip Gennis, on behalf of Spergel, reached out to Mr. Khan to ascertain our security on the Property, to discuss the power of sale proceedings, and to advise him of the Order. The Chargees first received a copy of the Order on May 14, 2020, when Mr. Gennis wrote to Mr. Khan. In the email, Mr. Gennis admits that Spergel had no previous knowledge of the existence of the Property, or the Charge. Attached as Exhibit “E” is a copy of this email.
10. From the time the Chargees have obtained the Order for possession, we have acted as prudent mortgagees in possession. We have paid a portion of the property tax arrears owing on the property, and had planned to continue doing so. We have also entered into a lease extension agreement with Tulloch for an additional two-year period, commencing January 1, 2021, and have collected rent. A copy of the lease renewal agreement is attached hereto as Exhibit “F”. We have also ensured the ongoing maintenance of the Property, with the assistance of Spergel.
11. Furthermore, during this time, the Chargees have communicated with Spergel on an ongoing basis, either directly with Mr. Gennis, or through my lawyer, Mr. Khan. On May 19, 2020, Mr. Khan provided a copy of a discharge statement, confirming the amounts owed to the Chargees as of this date. This was done at Mr. Gennis’ request. Attached hereto as Exhibit “G” is a copy of this email and the discharge statement.
12. Mr. Khan also advised me, and I believe this to be true, that in August, 2020, he communicated with Spergel’s lawyers to discuss the Property. At that time, on our instructions, he inquired as to whether the Chargees could sell the Property as mortgagee in possession, in order to recuperate our investment. Mr. Khan advised, and I believe it to be true, that he was told this could not be allowed, since the Order placed a stay on proceedings over the Property. Given these circumstances, we took no steps to sell the Property. However, if we were allowed to do so, it was our intention to sell it for its market value, to pay out our mortgage, and to follow any directions for the remainder of the proceeds.
13. The Chargees have also provided discharge statements to Spergel, via Mr. Khan, on September 9, 2020 and October 31, 2020, at Spergel’s requests. Attached hereto as Exhibit “H” are copies of these discharge statements.

14. I make this Affidavit to provide further background and substance to these proceedings, to ensure that the court is made aware of what has transpired with the respect to the Property, and with respect to our correspondence with Spergel, and no other or improper purpose.
15. While the Chargees do not oppose the sale at this time, and the Motion brought by Spergel, it is my understanding and belief that, as the first and only mortgagee registered on the Property, and as the Property is a standalone unit, distinct from the other units in the Building, the Chargees are entitled to receive payment in full of all amounts payable under the Charge. While stating this, I also understand that issues with respect to the distribution of the sale proceeds will not be addressed at this time.

SWORN BEFORE ME at the City of
Brampton, in the Regional Municipality
of Peel, this 6th day of January,
2021

A Commissioner of Oaths, etc.

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GIUSEPPE LUONGO

EXHIBIT "G"

Court File No. CV-20-00635946-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

- and -

**NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND
2209326 ONTARIO LTD.**

Respondents

**FIRST REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC., AND
2209326 ONTARIO LTD.**

DECEMBER 21, 2020

APPENDICES

1. Endorsement of The Honourable Mr. Justice Hainey dated February 13, 2020
2. Receivership Order dated February 20, 2020
3. Limited Lift Stay Order dated April 21, 2020
4. Mareva Order dated September 10, 2020 and Endorsement dated October 15, 2020
5. Copies of emails re requests for books and records
6. Copies of emails re Abandoned Records
7. Copy of Parcel Register for Unit 1, Level 2 MSCC80
8. Copies of Parcel Registers for Additional Muskoka Properties
9. Letter sent to all mortgagees on Additional Muskoka Properties
10. MLS Listing Agreement for Crescent Road Property
11. Redacted copy of Sale Agreement
12. Fee Affidavit of Interim Receiver and Receiver
13. BIA Form 18 Notice re Interim Receiver Discharge
14. Fee Affidavit of Counsel for Interim Receiver and Receiver
15. Receiver's Interim Statement of Receipts and Disbursements

CONFIDENTIAL APPENDICES

1. Phase 1 Environmental Report
2. Phase 2 Environmental Report
3. Mould Investigation Report
4. Building Condition Report
5. Colliers Appraisal dated May 29, 2020
6. Prior Expired Listing re Crescent Road Property
7. Marketing Summary and Offer Matrix
8. Un-redacted Sale Agreement

APPOINTMENT AND BACKGROUND

1. This report (the “**First Report**”) is filed by msi Spergel inc. (“**Spergel**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of Noble House Development Corporation (“**Noble House**”), 2307400 Ontario Inc. (“**230 Inc.**”) and 2209326 Ontario Ltd. (“**220 Ltd.**”, which, together with Noble and 230 Inc. shall be referred to herein as the “**Companies**”). The Receiver understands that Ray Jarvis is the party who managed the Companies.
2. The Receiver understands that Noble House, 230 Inc., and 220 Ltd. are Canadian owned, private corporations incorporated pursuant to the laws of the Province of Ontario operating as owners and developers of real property located at 3 Crescent Road, in the Town of Huntsville, Ontario (the “**Crescent Road Property**”) out of which was operated a business known as Huntsville Heated Mini Storage.
3. The Receiver understands that the Crescent Road Property was originally developed as a condominium project and is owned by Muskoka Standard Condominium No. 80.
4. The Crescent Road Property has two levels. 230 Inc. and 220 Ltd. are the registered owners as tenants in common of the properties legally described as Units 1 through 14, Level 1, Muskoka Standard Condominium Plan No. 80 and their appurtenant common interests, each of which units are subject to a mortgage in favour of Pace Savings & Credit Union Limited (the “**Applicant Creditor**”).
5. Noble House is the sole registered owner of Unit 1, Level 2, Muskoka Standard Condominium Plan No. 80 and its appurtenant common interest, which unit is subject to a mortgage in favour of Pasquale Luongo, Giuseppe Luongo, Bruno Rositano and Cristina Rositano.

6. 220 Ltd. is also a registered owner of properties known municipally as 14 Manitoba Street, Bracebridge, Ontario; 191 Ontario Street, Burks Falls, Ontario; 89 Ontario Street, Burks Falls, Ontario; and 205 Ontario Street, Burks Falls, Ontario (collectively, the “**Additional Muskoka Properties**”).

7. Spergel was initially appointed by the Court as interim receiver (in such capacity, the “**Interim Receiver**”), without security, of all the assets, undertakings and properties of the Companies (the “**Property**”) by Endorsement of The Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made February 13, 2020 (the “**IR Endorsement**”). Attached hereto as **Appendix “1”** is a copy of the IR Endorsement. No formal Order was ever issued and entered and pursuant to the IR Endorsement, it was to be reviewed on the return of the application scheduled for February 20, 2020. The IR Endorsement was granted on the application of the Applicant Creditor.

8. Pursuant to the IR Endorsement, the Interim Receiver attended at the Crescent Road Property and reviewed insurance and utility accounts, however no formal report was ever filed by the Interim Receiver.

9. Upon the return of the application before His Honour on February 20, 2020, Spergel was appointed as Receiver. Attached hereto as **Appendix “2”** is a copy of His Honour’s Order made February 20, 2020 (the “**Receivership Order**”).

10. Spergel, in its capacities as Interim Receiver and Receiver, retained Aird & Berlis LLP as its independent legal counsel.

PURPOSE OF THIS REPORT AND DISCLAIMER

11. The purpose of this First Report is to advise the Court as to the steps taken by the Receiver in these proceedings and to seek Orders from the Court:

- a) approving this First Report and the actions of the Receiver described herein, including, without limitation, approving the Receiver's Interim Statement of Receipts and Disbursements as at December 15, 2020, 2020 (the "**Interim R&D**");
- b) approving the agreement of purchase and sale between the Receiver, as vendor, and Shaffiq Dar, in trust for a corporation to be named, as purchaser, dated November 10, 2020 (the "**Sale Agreement**"), and authorizing the Receiver to complete the transaction contemplated thereby (the "**Transaction**");
- c) vesting in F.P.A.D. Corporation (the "**Purchaser**") (being the corporation named by Mr. Dar to take title) all the Companies' right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement) free and clear of any claims and encumbrances (other than permitted encumbrances identified in the Sale Agreement);
- d) sealing the Confidential Appendices (as defined herein) to this First Report until closing of the Transaction or further Order of this Court;
- e) approving the fees and disbursements of the Interim Receiver, the Receiver and their counsel;
- f) excluding the Additional Muskoka Properties from the stay of proceedings contained in the Receivership Order and directing the Land Titles Office to discharge the registration of the Receivership Order from title to the

Additional Muskoka Properties; and

- g) direction regarding certain books and records defined herein as Abandoned Records.

Disclaimer

12. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this First Report for any other purpose than intended.

13. In preparing this First Report, the Receiver has relied upon certain information found on site and/or provided to it by management of the Companies including, without limitation, past financial performance and other financial information. The Receiver has not performed an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises or International Financial Reporting Standards. Accordingly, the Receiver expresses no opinion or other forms of assurance with respect to such information.

14. All references to dollars in this First Report are in Canadian currency unless otherwise noted.

ACTIONS OF THE RECEIVER

General

15. Copies of the Receivership Order were provided to the Companies by the Applicant Creditor's counsel and by the Receiver. In addition, the Receiver prepared its statutory Notice and Statement of the Receiver in accordance with

subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada) (“BIA”) and mailed same to all creditors known to the Receiver.

16. Since the appointment of the Receiver on February 20, 2020, the Receiver has dealt with multiple issues, including but not limited to the following:

- a) arranging for counsel to register the Receivership Order on the title to the real property owned by the Companies and known to the Receiver;
- b) arranging for a change of locks to the Crescent Road Property to the extent possible given the nature of the property;
- c) freezing the bank accounts maintained by the Companies and known to the Receiver;
- d) informing tenants of the Crescent Road Property (to the extent made known to the Receiver) of the receivership and directing such tenants to pay rent for rental premises occupied to the Receiver and on-going collection efforts in this regard;
- e) taking control of utility accounts so as to ensure uninterrupted service to the Crescent Road Property;
- f) arranging for insurance on the entire building at the Crescent Road Property, including insurance coverage over the condominium corporation and common elements which was not in force as at the date of the receivership;
- g) communicating with the Town of Huntsville to enquire into the status of tax accounts;

- h) dealing with on-going property management issues, including but not limited to lawn maintenance, snow removal, furnace and heating maintenance and elevator maintenance;
- i) discussions with various stakeholders;
- j) engaging the services of appraisers, environmental consultants, building condition consultants and realtors;
- k) marketing the Crescent Road Property;
- l) negotiating the Sale Agreement; and
- m) addressing requests by various stakeholders to continue litigation against Mr. Jarvis and certain entities owned or controlled by him.

Litigation

17. The Receiver has had to address a motion brought by Lloyds Underwriters and 3303128 Canada Inc. t/a Alternative Risk Services (collectively, “**Lloyds**”) to lift the stay of proceedings in the Receivership Order.
18. The Receiver did not oppose a limited lifting of the stay of proceedings for certain specific purposes, which Lloyds identified as the continued prosecution of a claim against certain of the Companies (and other defendants not subject to the Receivership Order), including certain injunctive relief, provided that any final judgment obtained in such proceedings would remain stayed, that any resulting priority issues (if any) would be dealt with in the receivership proceedings and that the Receiver would not be required to defend or participate in the Lloyds’ proceedings or be deemed to accept any of the allegations in the Lloyds’

proceedings. On April 21, 2020, The Honourable Madam Gilmore granted an Order reflecting these terms (the “**Limited Lift Stay Order**”), a copy of which is attached as **Appendix “3”** to this First Report.

19. On September 10, 2020, the Receiver understands that Her Honour issued a Mareva Order in the Lloyds’ proceedings against Noble House and 220 Ltd. (and other defendants not subject to the Receivership Order, including Mr. Jarvis). On October 15, 2020, Her Honour confirmed by endorsement that nothing in the Mareva Order restrains any of the powers of the Receiver under the Receivership Order, including, without limitation, the Receiver’s powers to market, sell and otherwise deal with the Property, subject in all cases to the terms and conditions of the Receivership Order and the Limited Lift Stay Order. A copy of the Mareva Order and Her Honour’s subsequent endorsement are attached collectively as **Appendix “4”** to this First Report.

20. In parallel with (but distinct from) the Lloyds proceedings, the Receiver understands that an application was brought by Mr. Jarvis against BDO Canada Limited, in its capacity as bankruptcy trustee of William Player (in such capacity, the “**Player Bankruptcy Trustee**”), seeking, amongst other things, a declaration that cautions registered on certain of the Property by the Player Bankruptcy Trustee be removed. The Receiver is not aware of the basis upon which the Player Bankruptcy Trustee registered the cautions, and therefore did not take a position on Mr. Jarvis’ application.

Books and Records

21. Despite numerous requests, the Receiver has had limited production of books and records from the Companies, including but not limited to details of self-storage payments, computer access, banking information, copies of tenant leases and post-dated cheques in the possession of the Companies. Attached

hereto as **Appendix “5”** are copies of emails sent by the Receiver and/or its counsel to Ray Jarvis and/or his counsel, as applicable, requesting books and records for the Companies. To date very limited financial or other records have been produced by Mr. Jarvis to the Receiver.

22. There are presently in storage on-site at the Crescent Road Property approximately 200 banker boxes of books and records pertaining to Mr. Jarvis' various business dealings ("**Abandoned Records**") including the now defunct real estate brokerage, Re/Max North Country. The Receiver has attempted to retrieve the records it requires for the purpose of this receivership from the Abandoned Records.
23. The Receiver has been advised that Re/Max North Country is presently under some sort of investigatory proceeding of the Real Estate Council of Ontario ("**RECO**"). No party has claimed the Abandoned Records, however, the Receiver was contacted by counsel for Ray Jarvis and counsel for Lloyds seeking to take possession of the Abandoned Records. Attached hereto as **Appendix “6”** are copies of the emails amongst counsel for the Receiver, counsel for Ray Jarvis and counsel for Lloyds. The Receiver will be serving RECO with the Receiver's motion record and seeks direction from the Court as to how to deal with the Abandoned Records.
24. No rent has been paid for the storage units containing the Abandoned Records and the Receiver recommends that anyone who takes possession of the Abandoned Records pay both the storage costs and the Receiver's costs in dealing with same.
25. In the absence of any party paying storage costs and the costs of the Receiver, the Receiver seeks an order permitting it to remove and destroy the Abandoned Records prior to the closing of the Transaction.

Muskoka Standard Condominium Corporation No. 80

26. Shortly after taking possession of the Crescent Road Property, the Receiver ascertained that there were issues related to the Condominium Corporation (“**MSCC 80**”).

27. While the Receiver understands that MSCC 80 was formally established under the *Condominium Act* with statutory documents registered on parcel registers for each of the units under the *Land Titles Act*, the Receiver understands that neither the Companies nor MSCC 80 had constituted a Board of Directors, collected condominium fees for any of the units in the building, insured the common elements or established a reserve fund as required by condominium legislation.

28. As set out earlier, the Receiver learned of litigation between Mr. Jarvis and the Player Bankruptcy Trustee. The Player Bankruptcy Trustee had registered a number of cautions against title to real properties owned by the Companies. In the course of its communications with the Player Bankruptcy Trustee, the Receiver discovered an additional unit in the Crescent Road Property, which was in fact owned by Noble House but not subject to the mortgage held by the Applicant Creditor (i.e., Unit 15, Level 2). The Receiver through its counsel registered the Receivership Order on the title to this unit in the Crescent Road Property. A copy of the Parcel Register for this unit is attached hereto as **Appendix “7”**.

Environmental and Physical Concerns with the Crescent Road Property

29. In anticipation of the Receiver conducting a sales process with respect to the units in the Crescent Road Property, the Receiver commissioned a Phase 1

Environmental Report as well as a Building Condition Report. The findings in the Phase 1 Report reinforced the need to conduct a Phase 2 Environmental Report as well as a Mould Investigation Report. Attached hereto as **Confidential Appendices “1”, “2”, “3” and “4”**, respectively, are copies of the Phase 1 Environmental Report, the Phase 2 Environmental Report, the Mould Investigation Report all of which were conducted by Pinchin Environmental and the Building Condition Report provided by VTX Consulting Services Inc.

30. The environmental reports commissioned by the Receiver disclose that there are issues which will have to be addressed by any new owner.

The Additional Muskoka Properties

31. During its review of materials from the Player Bankruptcy Trustee, the Receiver discovered that 220 Ltd. also owned (solely or otherwise) the Additional Muskoka Properties, and that such Additional Muskoka Properties were not subject to the mortgage held by the Applicant Creditor. One of the properties, namely 191 Ontario Street, Burks Falls, Ontario is jointly owned by 220 Ltd. and Ray Jarvis. These properties consist of both residential and commercial buildings.
32. The Receiver instructed its counsel to register the Receivership Order on title to the Additional Muskoka Properties. Attached hereto as **Appendix “8”** are copies of the parcel registers for the Additional Muskoka Properties.
33. In an effort to ascertain whether there was any equity in the Additional Muskoka Properties, the Receiver wrote to all mortgagees requesting the current status of their mortgages and a present balance due and owing thereon. Attached hereto

as **Appendix “9”** is a copy of the generic letter sent by registered mail to all registered mortgagees.

34. In addition, the Receiver sought and obtained a letter of opinion as to value from a local realtor.

35. Based upon the information garnered by the Receiver with respect to the Additional Muskoka Properties and numerous telephone discussions with solicitors for the registered mortgagees, the Receiver concluded that there was no equity in the Additional Muskoka Properties to recover. This determination was subsequently conveyed to solicitors for the mortgagees, all of whom had been in contact with the Receiver subsequent to the registration on title of the Receivership Order.

36. The Receiver is seeking an order of this Court to exclude the Additional Muskoka Properties from the stay of proceedings contained in the Receivership Order and to direct the Land Titles Office to discharge the registration of the Receivership Order from title to the Additional Muskoka Properties, so that the mortgagees can deal with these properties without the Receiver's involvement.

THE SALE OF THE CRESCENT ROAD PROPERTY

General

37. Pursuant to Paragraph 3 (j) of the Receivership Order, the Receiver is empowered and authorized to market any or all of the Property, including advertising and soliciting offers in respect of the Property.

38. Given the onset of the Covid-19 pandemic as well as the location and use of the Crescent Road Property, the Receiver experienced some difficulty initially engaging the services of an appraiser. That having been said, on or about the

2nd day of May, 2020, the Receiver engaged the services of Colliers International Realty Advisors Inc. (“**Colliers**”) to conduct a full narrative appraisal of the units in the Crescent Road Property. Attached hereto as **Confidential Appendix “5”** is copy of the Colliers Appraisal dated May 29, 2020 (the “**Colliers Appraisal**”).

39. In addition to the Colliers Appraisal, Colliers also provided the Receiver with a copy of an expired listing of the property which was in effect from May 2016 to May 2017 without a sale being consummated. Attached hereto as **Confidential Appendix “6”** is a copy of the expired listing.
40. During the period prior to the Receiver listing the Crescent Road Property for sale, a number of local realtors reached out to the Receiver enquiring about the Crescent Road Property, however no reasonable offer was forthcoming.
41. On or about the 9th day of June, 2020, the Receiver requested listing proposals from Cushman and Wakefield ULC (“**CW**”) and Lennard Commercial Real Estate (“**Lennard**”). Upon execution of a non-disclosure agreement, both real estate brokerages were provided with a copy of the Colliers Appraisal in advance of submitting their listing proposals.
42. The Receiver made the decision to enter into an MLS Listing Agreement with Lennard given its significant previous experience with the marketing and sale of public storage unit facilities. Lennard’s listing team consisting of Jim McIntosh, Jay Finch and Parker Payette has over 45 years of commercial real estate experience, predominantly specializing in the sale of industrial and self-storage assets. The Receiver understands that this team has successfully completed transactions across Canada ranging from \$1.5 million to \$129 million, and previously worked at Colliers International for tenures ranging from 5 years to 30 years (with Mr. McIntosh, team lead, holding the title of President of Eastern Canada for a period of time). The Receiver also understands that Mr. McIntosh was also involved in the ownership and management of a self-storage portfolio

that consisted of six facilities in the GTA which were monetized in 2014, such that the Receiver considers his experience and understanding of self-storage assets to be a unique differentiator within brokerage community. The Receiver also understands that the Lennard team has successfully completed two dispositions on behalf of the Applicant Creditor, with one of the assets being an 83,000 SF industrial and self-storage complex in Orillia that was sold in February 2020 and was similar to the Crescent Road Property. Attached hereto as **Appendix "10"** is a copy of the MLS Listing Agreement dated August 20, 2020 entered into by the Receiver with Lennard.

43. Lennard created a data room which contained sales and marketing materials in addition to the Building Condition Report. Lennard also advertised in the Globe and Mail on two separate publication dates and conducted a broad marketing campaign to in excess of 1000 key condominium conversion purchasers and self-storage operators and investors. All prospective purchasers who submitted competitively priced offers were provided with the Phase 1 and 2 Environmental Reports and the Mould Investigation Report.
44. One offer was received directly by the Receiver prior to the listing agreement being signed. Four offers were also presented to Lennard. Attached hereto as **Confidential Appendix "7"** is a Marketing Summary and Offer Matrix, including the offer presented to the Receiver prior to listing prepared by Lennard.

The Transaction

45. A sale agreement dated November 10, 2020 was submitted by Shaffiq Dar in trust for a company to be named later. Following discussions and negotiations, the Sale Agreement was accepted by the Receiver on November 26, 2020 subject to Court approval. The Sale Agreement is unconditional save and except for the Receiver obtaining a Sale Approval and Vesting Order from this Honourable Court.

46. The Crescent Road Property has been broadly marketed by the Receiver's agent. The Transaction contemplated by the Sale Agreement is at a price that was acceptable to the Receiver using its reasonable business judgment, in that it was the highest price received for an unconditional deal and represents a sale price equal to or greater than the appraised value of the units to be sold in a single asset sale. Attached hereto as **Appendix "11"** is a redacted copy of the Sale Agreement. An un-redacted copy of the Sale Agreement is attached hereto as **Confidential Appendix "8"**.
47. The Crescent Road Property is operating at a deficit and has required the Receiver to borrow funds from the Applicant Creditor. There is presently \$254,000 owing on account of realty taxes which the Receiver is unable to pay and which amount will continue to accrue until such time as the property is sold. In addition, on-going maintenance relative to the Crescent Road Property and on-going professional fees will continue to have a negative impact on the realizations for stakeholders should the Transaction not be approved and concluded.
48. In light of the above, the Receiver seeks the approval of the Transaction. The Applicant Creditor supports the Receiver's motion for approval of the Transaction.
49. The Receiver is seeking a sealing order in respect of the Confidential Appendices as they each contain commercially sensitive information, the release of which prior to closing of the Transaction would be prejudicial to the stakeholders of the Companies should the Transaction not close.

FEEES AND DISBURSEMENTS OF THE INTERIM RECEIVER, THE RECEIVER AND THEIR COUNSEL

50. Attached hereto as **Appendix "12"** is the Affidavit of Philip Gennis sworn December 21, 2020 which incorporates by reference

- a) a copy of the Interim Receiver's time dockets pertaining to the interim receivership, for the period from and including February 13, 2020 to and including February 19, 2020 in the amount of \$6,935.38, inclusive of disbursements and HST. This represents a total of 13.7 hours at an average rate of \$447.99 per hour; and
- b) a copy of the Receiver's time dockets pertaining to the receivership, for the period from February 20, 2020 to and including December 15, 2020 in the amount of \$124,584.76 inclusive of disbursements and HST. This represents a total of 295.4 hours at an average rate of \$373.23 per hour.

51. Pursuant to Rule 79 of the BIA, on the 24th day of April, 2020, the Interim Receiver provided the Notice of Application for Taxation and Discharge of the Interim Receiver to the service list. No objection was filed within 30 days of the mailing of the Notice. Attached hereto as **Appendix "13"** is a copy of this Notice.

52. Attached hereto as **Appendix “14”** to this First Report is the Affidavit of Jonathan Yantzi, sworn December 21, 2020, which incorporates by reference:

- a) a copy of the time dockets of counsel to the Interim Receiver, for the period from and including February 13, 2020 to and including February 19, 2020 in the amount of \$3,411.76, inclusive of disbursements and HST; and
- b) a copy of the time dockets of counsel to the Receiver, for the period from February 20, 2020 to and including December 14, 2020 in the amount of \$42,725.86, inclusive of disbursements and HST.

53. The Interim Receiver and the Receiver, as applicable, have reviewed the accounts of their counsel and are of the view that all the work set out in these accounts was carried out and was necessary, that the hourly rates of the lawyers who worked on this matter were reasonable in light of the services required and that the services were carried out by lawyers with the appropriate level of experience.

RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS AS AT DECEMBER 15, 2020

54. Attached hereto as **Appendix “15”** is a copy of the Interim R&D.

RECOMMENDATIONS

55. The Receiver respectfully requests that this Honourable Court grant the relief sought in this First Report.

Dated at Toronto, this 21st day of December, 2020.

msi Spergel inc.,
solely in its capacity as Court-appointed
Receiver of Noble House Development
Corporation, 2307400 Ontario Inc., and
2209326 Ontario Ltd., and not in its
personal or corporate capacity

Per:



Philip H. Gennis, JD, CIRP, LIT
Senior Principal

EXHIBIT "H"

Rob Danter

From: Zafir Khan <zafir@rutmanlaw.com>
Sent: Monday, May 11, 2020 4:17 PM
To: Tim Hogan
Subject: 3 Crescent Road, Unit 1, Huntsville - Noble House

[EXTERNAL EMAIL]

Good Afternoon, Mr. Hogan.

We act for the first mortgagees of unit 1, level 2 of the condominium at. 3 Crescent Rd., Huntsville. The mortgagees are now in possession of the unit due to default which unit is tenanted by Tulloch Engineering Inc.

While we are on that topic, Tulloch needs access to the first floor unit to get some furniture out which is stored there. The key they have does not seem to work.

Since Noble House had ownership of all of the units, we are interested in knowing whether the condominium corporation has been established properly, has operating and reserve fund bank accounts, etc., etc.

We know that Noble House changed the configuration of the warehouse by subdividing it horizontally a few years ago in order to establish more storage. We wonder whether that has been reflected in the condominium documentation by Noble House's solicitor?

Would you kindly advise what the receiver's intentions are with respect to this property. We would appreciate your prompt attention to this matter and remain, etc.

Best Regards,

Zafir Khan
Rutman & Rutman Professional Corporation
184 Queen Street West
Brampton, Ontario
L6X 1A8
Telephone: 905-456-9969
Facsimile: 905-456-7448
Email: zafir@rutmanlaw.com
www.rutmanlaw.com

Coronavirus/Covid-19 Advisory: as a precaution and so that all of our employees can continue to serve you without the potential need for quarantine, if you feel sick or unwell and are planning to attend our location, please contact us immediately to make alternative arrangements. If you have recently travelled internationally, we ask that you follow Government Public Health guidelines, found here: <https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>

We thank you, in advance, for your consideration.



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EXHIBIT "I"

From: Zafir Khan <zafir@rutmanlaw.com>
Sent: August 4, 2020 12:37 PM
To: Philip Gennis <PGennis@spergel.ca>
Cc: Frieda Kanaris <fkanaris@spergel.ca>
Subject: 3 Crescent Road, Unit 1

Good Afternoon, Phil.

This is further to my previous email regarding the condominium corporation set up. The condominium act provides for the appointment of an administrator upon application in the type of situation that we have here, where it would appear there are no bank accounts, common expense payments being made, reserve fund studies, etc. If the act does not apply, section 130 of the Courts of Justice Act would apply to appoint an administrator. My client has requested that I take this step immediately.

It strikes me that since your firm is already installed as receiver, it would probably be best for your firm to assume this additional role.

Please advise.

Best Regards,

Zafir Khan
Rutman & Rutman Professional Corporation
184 Queen Street West
Brampton, Ontario
L6X 1A8
Telephone: 905-456-9969
Facsimile: 905-456-7448
Email: zafir@rutmanlaw.com
www.rutmanlaw.com

Coronavirus/Covid-19 Advisory: as a precaution and so that all of our employees can continue to serve you without the potential need for quarantine, if you feel sick or unwell and are planning to attend our location, please contact us immediately to make alternative arrangements. If you have recently travelled internationally, we ask that you follow Government Public Health guidelines, found here: <https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>

We thank you, in advance, for your consideration.



EXHIBIT "J"

**APPRAISAL REPORT
OF
3 CRESCENT ROAD, UNIT #1 LEVEL 2
HUNTSVILLE, ONTARIO
PIH 1Y3**

**PREPARED FOR
RAY JARVIS
101-29 MAIN STREET EAST
HUNTSVILLE, ONTARIO
PIH 2C6**

EMAIL: ray@remax-muskoka.com

EFFECTIVE DATE

AUGUST 16, 2018

BY

**JAMES F.H. BARNES
A.A.C.I., P.APP.**

**1172 BAY STREET, #118
TORONTO, ONTARIO
M5S 2B4**

TEL: (416) 606-9074

FAX: (705) 719-7780

e-mail: jfhbarnes@gmail.com

SECTION I

3 Crescent Road, Unit #1 Level 2, Huntsville, ON

2

JFH Barnes, Appraisal

James F.H. Barnes
Appraiser/Consultant
B.A, M.I.M.A., F.R.I., A.A.C.I., P.APP.
1172 Bay Street, Suite 118
Toronto, Ontario M5S 2B4
☎ 416-606-9074
jfhbarnes@gmail.com

LETTER OF TRANSMITTAL

Ray Jarvis
101-29 Main Street East
Huntsville, Ontario P1H 2C6

August 16, 2018

Dear Mr. Jarvis,

Re: Appraisal of Property
3 Crescent Road, Unit #1 Level 2, Huntsville, Ontario L4N 3V7

In accordance with your request of August 2018, we have completed an appraisal of the above captioned property.

The property rights associated with the Market Value estimate herein are those of the Fee Simple Interest. The effective date of this report is August 16, 2018, which was the date of inspection of the property for appraisal purposes.

We have completed this report at the request of Mr. Ray Jarvis. The purpose is to estimate the Market Value of the subject property as at the effective date of this report for first mortgage lending purposes. It is not reasonable for any person other than the addressee of this report and the lender to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. We have prepared this report on the assumption that no other person will rely on it for any other purpose, and all liability to all such persons is denied.

This document has been prepared in accordance with the Canadian Standards of Professional Appraisal Practice (The Standards) adopted by the Appraisal Institute of Canada. By agreement, it is of a Narrative format. A Narrative format allows data, analysis and conclusions to be presented in an appropriate level of detail which can vary depending on the significance and complexity of the appraisal problem. Some information has been accepted without full confirmation or with third party confirmation. Certain assumptions or hypothetical conditions have necessarily been imposed to complete the assignment. These criteria are known as Extraordinary Limiting Conditions and have been outlined on Page 11.

We have completed the valuation of this property by the Direct Comparison Approach to Value. The premise of this method is the comparison of the appraised property to similar properties that have sold in Barrie, and surrounding area including the GTA, and are alike in location, size, zoning, and overall potential. We have made adjustments to the comparable properties for differences from the subject, to indicate a value for the appraised property. As a unit of comparison, we have used the adjusted sale price per suite of the building.

The Income Approach to Value has been completed, on a revised basis to support the Direct Comparison approach.

This letter is invalid as an opinion of value if detached from the report, which contains the text, and Addenda. The Table of Contents is included on Page 5.

This report has been prepared in accordance with your instructions to assist you with the possible sale or refinance of the property. It is copyright and may not be reproduced in whole or in part, without prior written consent from the author(s).

It is intended that all relevant data upon which we have based our comments, opinions and conclusions has been included in the pages (including Addenda) of this report. There may be additional data however, utilized for the purposes of this report which has been retained in our files.

This report is subject to the Extraordinary Limiting Condition(s) and the Assumptions and Limiting Conditions and any specific critical assumptions as contained within the body of this report and Addenda.

CERTIFICATION

In submitting this report I certify, that:

I personally inspected the subject property on August 16, 2018.

I have no present or prospective interest in the property that is the subject of this report, nor do I have a personal interest or bias with respect to the parties involved.

To the best of my knowledge the statements of fact contained within this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the Extraordinary Limiting Condition(s) and Assumptions and Limiting Conditions as set out in this report, and they are my personal, unbiased and professional analyses, opinions and conclusions. Further, no other(s) provided significant professional assistance to me in preparation of this report.

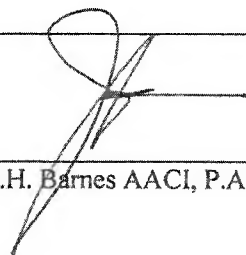
Neither the employment to perform this appraisal, nor the compensation, was contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The Appraisal Institute has a mandatory Recertification Program for designated members. As of the date of this report I have fulfilled the requirements of the program.

The analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Canadian Uniform Standards of Professional Practice (The Standards) adopted by the Appraisal Institute of Canada and is subject to review by their duly authorized agent(s).

We submit our findings herein and conclude that in our professional and considered opinion, subject to the Assumptions and Limiting Conditions contained in this report, the Market Value of the Fee Simple Interest in 3 Crescent Road, Unit #1 Level 2 Huntsville, Ontario, August 16, 2018 was:

UNIT #1 LEVEL 2
"FOUR HUNDRED THOUSAND DOLLARS" (\$400,000)



James F.H. Barnes AACI, P.APP

Date: 08/16/2018
August 16, 2018

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 MPAC

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 COMPARABLES (5)

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY IDENTIFICATION	<ul style="list-style-type: none">- 3 Crescent Road, Unit #1 Level 2- Huntsville, Ontario
EFFECTIVE DATE OF REPORT	<ul style="list-style-type: none">- August 16, 2018
LOCATION	<ul style="list-style-type: none">- 3 Crescent RoadHuntsville, Ontario
PROPERTY RIGHTS APPRAISED	<ul style="list-style-type: none">- Fee Simple
IMPROVEMENTS	<ul style="list-style-type: none">- Industrial/Commercial Condominium Building
SIZE OF BUILDING	<ul style="list-style-type: none">- Industrial/Commercial Condominium BuildingUnit #1 Level 2 4,060 ft.²
SITE DIMENSIONS AND AREAS	<ul style="list-style-type: none">- 4.99 acres entire site
LAND USE CONTROLS	<ul style="list-style-type: none">- Light Industrial (M1-1065) Exception Zoning
PARKING	<ul style="list-style-type: none">- Gravel Above Ground
HIGHEST AND BEST USE	<ul style="list-style-type: none">- Industrial/Commercial Condominium Building
ESTIMATE OF VALUE	UNIT #1 LEVEL 2..... <u>\$400,000</u>

SECTION II: INTRODUCTION / FACTUAL INFORMATION

3 Crescent Road, Unit #1 Level 2, Huntsville, ON

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JFH Barnes, Appraisal

SCOPE OF THE ASSIGNMENT AND REPORTING FORMAT

Scope

- The specific tasks and items necessary to complete this assignment included the following:
- Meeting in Huntsville at building—tour of building.
- The assembly and analysis of pertinent information concerning the property being appraised.
- The inspection of the subject property and the surrounding neighbourhood on August 16, 2018.
- The assembly and analyses of relevant economic and market data.
- The analysis of rents and expenses for the subject property as at the effective date of this report.
- A review and statement of Highest and Best Use of the land.
- A discussion of appraisal methodologies and procedures employed.
- Analysis of comparable properties recently sold. Direct sales comparison approach to value.
- Complete gross incomes estimates, and the Abbreviated Income Approach.
- The inclusion of all appropriate photographs, maps, graphics, and addenda.

The reconciliation of the collected data into a final estimate of the subject's market value as at the effective date of the appraisal.

Report Format

All data included in the report is to the best of our knowledge factual. By agreement with the client, we have prepared the findings in a Narrative Appraisal format. A Narrative Report is a detailed report where Extraordinary Limiting Condition(s) have been invoked.

ASSUMPTIONS AND LIMITING CONDITIONS

We have completed this report at the request of Ray Jarvis. The purpose is to estimate the Market Value of the subject property as at the effective date of this report. It is not reasonable for any person other than the addressee of this report and the lender to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. We have prepared this report on the assumption that no other person will rely on it for any other purpose, and all liability to all such persons is denied.

This report has been prepared at the request of Ray Jarvis for the exclusive and confidential use of, the recipient and the lender for the specific purpose and intended use as stated herein: **"first mortgage financing."** All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as disclosure quotation or reference.

The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required interpretive analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to the following Contingent and Limiting Conditions:

1. It is assumed that the title to the real estate herein appraised is good and marketable.
2. No responsibility is assumed for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, soil or sub-soil conditions, engineering or other technical matters which might render this property more or less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis, that certain problems may exist, a cautionary note has been entered in the body of this report.
3. The legal description of the property and the area of the site was obtained from taxation records.
4. It is assumed that the real estate is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described herein.
5. It is assumed there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.

6. It is assumed that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect hereto.
7. It is also assumed that there are no work orders or other notices of violation of law outstanding with respect to the real estate and that there is no requirement of law preventing occupancy of the real estate as described in this report.
8. Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department of any other government regulatory agency, unless such investigations are expressly represented to have been made in this report.
9. The subject property must comply with such regulations and, if it does not comply, its noncompliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.
10. It is assumed that, save and except for encumbrances as may be permitted, there are no easements, rights-of-way, building restrictions or other restrictions so affecting the site as to prevent or adversely affect the operation of the property or so as to materially and adversely affect its market value, other than those described.
11. It is assumed that there is no action, suit, proceeding or investigation pending or threatened against the real estate or affecting the titular owners of the property, at law or in equity or before or by any federal, provincial or municipal department, commission, board, bureau, agency or instrumentality which may adversely influence the value of the real estate herein appraised.
12. The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.
13. The estimated market value of the property referred to herein is predicated upon the condition that it would be sold on a cash basis by the vendor and subject to any contractual agreements and encumbrances as noted in this report. Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as of any other date without subsequent advice of the author of this report.
14. Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, prior arrangements shall be made including provisions for additional compensation to permit adequate time for preparation and for any appearances which may be required.

15. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl's, petroleum leakage, or agricultural chemicals, which may be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such condition, nor for any expertise or engineering knowledge required to discover them.
16. However, neither this nor any other of these assumptions and limiting conditions are an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of this report which best serves the administration of justice.

The value expressed herein is in Canadian dollars. This report is only valid if it bears the original signature of the authors.

EXTRAORDINARY LIMITING CONDITIONS

The report is subject to Extraordinary Limiting Conditions, as we have not.

1. Verified all sales data in the Registry Office. Therefore we have relied upon third party verification of sales data.
2. Conducted a Title Search, nor examined the existence of easements, right-of-ways or restrictions (if any) and their effect on the appraised property.
3. Please note that the Addenda of this report does not contain data on file at the agency; including: Building Plans, Survey, Rental Surveys and Building Condition Reports. We refer to these documents but have not included them all in this report.

TERMS OF REFERENCE FOR THE APPRAISAL ASSIGNMENT

Identification of the Subject Property

The subject property is municipally identified as:

3 Crescent Road, Unit #1 Level 2
Huntsville, Ontario

Assessment

The assessment phased-in for 2018; assessed value \$336,500. **Note:** MPAC attached in Addenda.

Effective Date of Report

The effective date of this report is August 16, 2018, while the date of inspection of the property for appraisal purposes was August 16, 2018.

Purpose of the Appraisal

The purpose of this report is to estimate the Market Value of the Fee Simple Interest in the subject property as at the effective date of the report.

History

The subject condominium units have not previously sold since the condominium has only recently been created.

Intended Use of the Appraisal

The intended use of this report is for the purpose of determining market value of the property, for financing purposes.

Property Rights Appraised

The property rights appraised herein are those of the Fee Simple Interest, free and clear of all other encumbrances and rights-of-way, except as described in this report.

Definition of Market Value

As defined in the Canadian Uniform Standards of Professional Practice, market value is

"the most probable price in terms of cash which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus."

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- * Buyer and seller are typically motivated;
- * Both parties are well informed or well advised, and acting in what they consider their best interests;
- * A reasonable time is allowed for exposure in the open market;
- * Payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
- * The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Exposure Time

In conjunction with the value estimates contained herein, it is critical to note the accompanying review of market exposure times upon which these value estimates have been based.

Market exposure time is presumed to have occurred within the period ending at the effective date of this report and is the anticipated length of time, in the current market, which is required to attract a potential purchaser and reach a final agreement of purchase and sale. Further consideration must include the time between execution of the final agreement and the actual date of closing the transaction.

Having regard to all of the foregoing, the estimate of value contained herein presumes that the subject property has been exposed to the market for the preceding, say, *30 to 90 day period prior to reaching a final agreement of sale*. Naturally, emphasis must be given to establishing a realistic and competitive listing price in the current market.

Normally, closing of a transaction occurs between one and three months beyond the agreement of purchase and sale.

Zoning

The subject property is zoned Light Industrial (M1-1065) Exception Zoning, which permits a variety of industrial/commercial uses, including an Industrial/Commercial Condominium Building as constructed.

The subject is zoned Light Industrial (M1-1065) Exception Zoning, and complies with zoning criteria.

Legal Description

The legal description is: UNIT 1, LEVEL 2, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390 TOWN OF HUNTSVILLE. The municipal address is 3 Crescent Road, Unit #1 Level 2 Huntsville, Ontario.

HIGHEST AND BEST USE

The principal of highest and best use is fundamental to the concept of value and real estate. It is defined as that use which is most likely to produce the greatest net return over a given period of time.

The Highest and Best Use must be examined in the light of its legality, uses within the realm of probability, demand for another use, and whether or not another use may provide another higher net return to the land. Consideration must be given to the existing or reasonably anticipated demand or competition for such use, as well as the physical and geographical suitability of the property for such a use.

The subject property is zoned Light Industrial (M1-1065) Exception Zoning, which permits a variety of commercial oriented uses. The subject property is presently operated as an Industrial/Commercial Condominium Building.

It is our professional and considered opinion that the highest and best use of the subject property, as at the effective date of this report, would be an Industrial/Commercial Condominium Unit Building similar to the subject.

SECTION III: PROPERTY DETAIL/LOCATIONAL AND SITE CHARACTERISTICS

3 Crescent Road, Unit #1 Level 2, Huntsville, ON

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A map of Muskoka, Ontario, Canada, showing various towns and businesses. The map is oriented with North at the top. Major roads like Hwy 11 and Hwy 124 are visible. Numerous locations are marked with pins and labels, including Dickey Ford, Clark's Auto, Lakeside Auto Repair & Radiator, Muskoka Liquidation, Huntsville Truck Repair, Muskoka Home Building Centre, and others. The map is credited to Google at the bottom.

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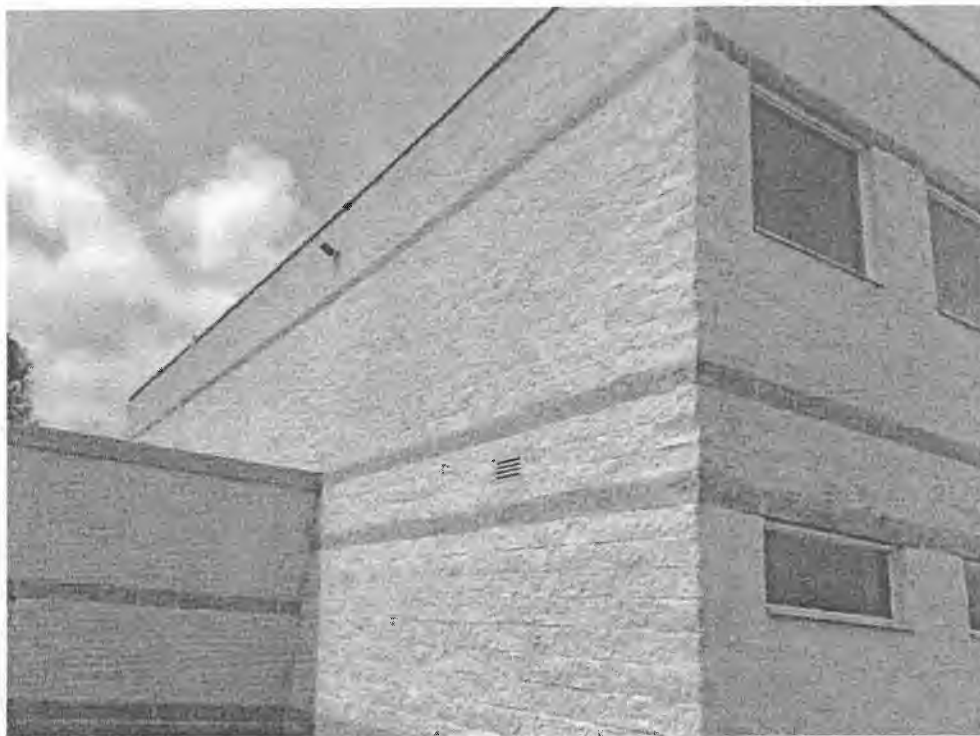
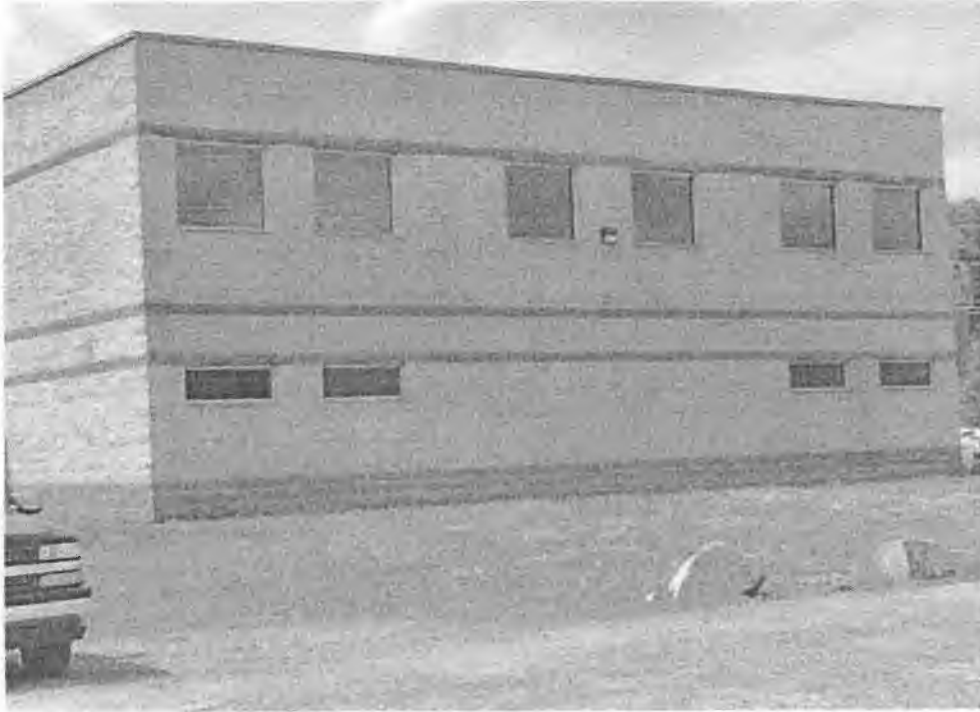
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PHOTOGRAPHS OF SUBJECT



3 Crescent Road, Unit #1 Level 2, Huntsville, ON

PHOTOGRAPHS OF SUBJECT



3 Crescent Road, Unit #1 Level 2, Huntsville, ON

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JFH Barnes, Appraisal

PHOTOGRAPHS OF SUBJECT

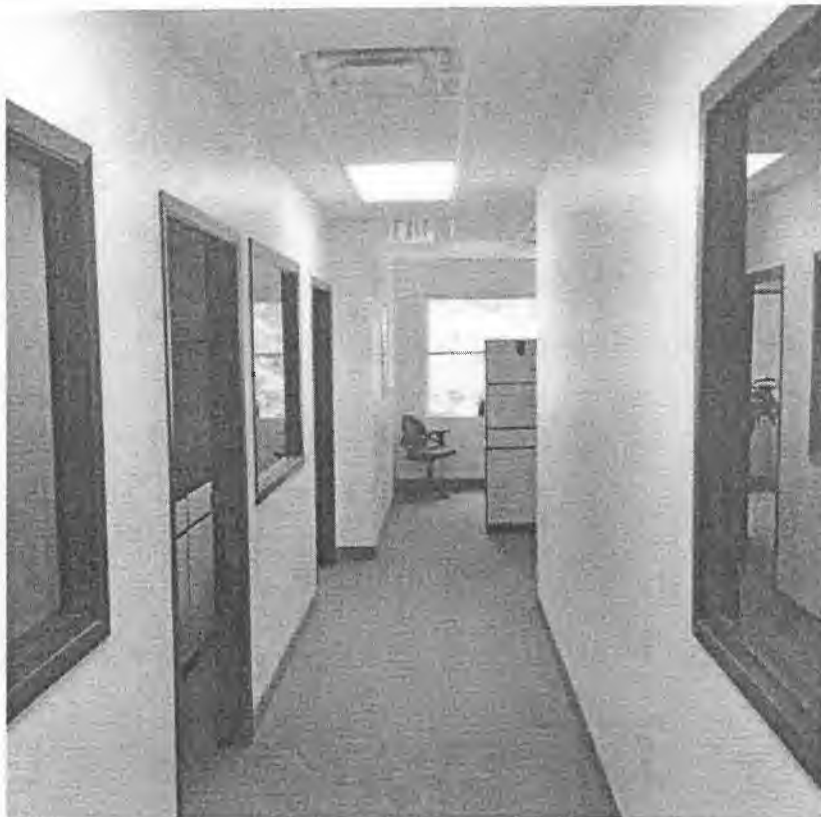


3 Crescent Road, Unit #1 Level 2, Huntsville, ON

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PHOTOGRAPHS OF SUBJECT



3 Crescent Road, Unit #1 Level 2, Huntsville, ON

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PHOTOGRAPHS OF NEIGHBOURHOOD



3 Crescent Road, Unit #1 Level 2, Huntsville, ON

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SECTION IV: DESCRIPTION OF IMPROVEMENTS

3 Crescent Road, Unit #1 Level 2, Huntsville, ON	22	JFH Barnes, Appraisal
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SITE AND NEIGHBOURHOOD DESCRIPTION

Site Description

The site contains 4.99 acres entire site with frontage on Crescent Road about 1 km from downtown Huntsville; and 1 km from the Highway #11.

Physical Description

The site is level and at grade with the street frontages. The location is considered a desirable location for an Industrial/Commercial Condominium Building with good access to downtown Huntsville; and the Highway #11.

Neighbourhood Data

The subject property is located in Huntsville on Crescent Road in a prime Industrial/Commercial location.

Surrounding the subject property is Fountain Tire, Home Hardware, Greystone Condominiums, Marina Services; and a host of Industrial/Commercial activities.

The property enjoys good access to Highway #11 to the west and locally to downtown Huntsville, to the east.

NOTE: The subject property is condominium Unit #1 Level 2, within the subject building

DESCRIPTION AND ANALYSIS OF THE IMPROVEMENTS

The subject property is an Industrial/Commercial Condominium Unit within the Building with two-storey offices on the front and an industrial warehouse to the rear.

The building is in average condition based on our inspection.

The building is considered 100% complete for appraisal purposes.

UNIT #1 LEVEL 2	
Building Type:	Office Building
Construction:	Concrete Block/Wood Frame
Exterior Walls:	Brick/Block
Heating:	Forced Air Gas/Roof Units
Floors:	Concrete/Finished with Tile
Walls:	Drywall
Ceiling:	Acoustic Tile
Parking:	Surface
Basement:	Nil
Bathrooms:	2 Common Washrooms
Office:	Many Offices
SIZE:	4,060 ft. ²

SECTION V: INCOME APPROACH

3 Crescent Road, Unit #1 Level 2, Huntsville, ON	25	JPH Barnes, Appraisal
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INCOME APPROACH TO VALUE

The Income Approach is completed based on estimates of Income and Expenses for the subject. We have provided an estimate of the Gross Income received should the property become vacant, and capitalized it by a market capitization rate. The net income divided by the cap rate equals the market value. We complete the Income Approach as a back-up to the Direct Comparison Approach, to determine the value of the property today.

UNIT #1:

GROSS INCOME: Market Rate Commercial \$12.00 X 4,060 ft.² = \$48,720

Less (35%) Administration, Management,
Repair and Maintenance, Reserve Fund \$17,052

Expenses (net.net net tenant pays all other expenses)

NET ANNUAL INCOME FROM PROPERTY: \$31,668 (R) \$31,500

Net Income ÷ Capitalization Rate = Market Value.

Therefore: \$31,500 ÷ .070 = \$450,000.

CAPITALIZATION RATE

The Capitalization Rate by the Mortgage Equity Technique is 7%.

Market Capitalization Rate

Recent sales suggest a rate in the 5%-8% range, say 7%. The mortgage equity rate at 7% supports the market rate at 7%.

NOTE: Please see capitalization rate chart on the next page.
We shall use a 7% Capitalization Rate.

The Income Approach to Value Indicates a Market Value:

UNIT #1 LEVEL 2: \$450,000

CAPITALIZATION RATE CHART (SALES 1-5)

	Sale #1	Sale #2	Sale #3	Sale #4	Sale #5
Address	89 Collier Street	50 Dunlop Street	22 Clapperton Street	10 East Street	71-73 Mary Street
Location	Barrie	Barrie	Barrie	Barrie	Barrie
Sale Price	\$1,400,000	\$2,600,000	\$1,075,000	\$797,500	\$724,000
Sale Date	9/14/2016	5/31/2016	8/12/2016	8/10/2015	6/26/2015
Building Type	Office	Commercial Plaza	Office	Residential Multi-Unit	Office Residential Storage
Office/Commercial	10,795 ft. ²	19,795 ft. ²	7,535 ft. ²	4,930 ft. ²	5,156 ft. ²
Industrial	—	—	—	—	—
Total	10,795 ft. ²	19,795 ft. ²	7,535 ft. ²	4,930 ft. ²	5,156 ft. ²
Net Income	\$98,977	\$193,419	\$81,450	\$43,793	\$55,000
Capitalization Rate	7.0%	7.4%	7.6%	5.5%	7.6%

Market cap range Capitalization Rates: 5.5%-7.6%.

Mean: 7.02% Median: 7.4%

We have chosen a rate at the mean of the range at 7%.

NOTE: The higher the cap rate, the lower the value of the income stream.

SECTION VI: DIRECT COMPARISON APPROACH

DIRECT COMPARISON APPROACH

The Direct Comparison Approach contemplates the comparison of the subject property with similar properties which have recently sold or are listed for sale, and is an application of the Principle of Substitution. This principle affirms that when property is replaceable, no prudent buyer would pay more for the subject property than the cost of acquiring an equally desirable substitute property, provided that there is no undue delay in making the substitution.

In applying the Direct Comparison Approach we have endeavoured to find properties which sold in the subject area and which were similar to the appraised property in terms of location, size, zoning and prospects for future development. The following pages outline in detail and in chart form our application of the Direct Comparison Approach.

This approach to value involves the analysis of comparable market transactions. The subject property is compared to similar properties that have been sold recently or are offered for sale. Adjustments are made for any significant differences between the subject property and comparable sales, as per Sales Comparison Charts on the following pages. We shall determine a value for the condominium units on a square foot basis.

UNIT #1 LEVEL 2:

The sales price per square foot ranged from \$97.00-\$108.00. An adjusted per square foot value of \$100.00 was chosen based on the mean of the sales range. We have included the sale details on the comparable charts.

We conclude the market value by the Direct Sale Comparison Approach to be:

$$4,060 \text{ ft.}^2 \times \$100.00 = \$406,000 \text{ (R) } \underline{\underline{\$400,000}}$$

DIRECT SALES COMPARISON 1-5—UNIT #1 LEVEL 2

	Subject	Sale #1	Adj	Sale #2	Adj	Sale #3	Adj	Sale #4	Adj	Sale #5	Adj
Address	3 Crescent Road, (Unit #1 Level 2)	3 Progress Drive (3)		25 Saunders Road (6-7)		61 King Street (#17)		11 Patterson Road (19-21)		235 Industrial Parkway (59)	
Location	Huntsville	Orillia		Barrie	-20%	Barrie	-20%	Barrie	-20%	Aurora	-30%
Date		3/2018		12/2017		9/2017		6/2018		3/2018	
Sale Price		\$350,000		\$402,000		\$540,000		\$600,000		\$745,000	
Condition	Average	Average		Average		Good	-10%	Average		Good	-10%
Zoning	Comm/Industrial	Comm/Industrial (M3)		Comm/ Industrial (EM4)		Comm/ Industrial (L1)		Comm/ Industrial (H1)		Comm/ Industrial (E2)	
Office/ Industrial	4,060 ft. ²	3,595 ft. ²		3,204 ft. ²		3,505 ft. ²		4,620 ft. ²		4,251 ft. ²	
Total Adjmts		—		-20%		-30%		-20%		-40%	
Adjusted Sale Price		\$350,000		\$321,600		\$378,000		\$480,000		\$447,000	
Adjusted sale price per square foot		\$97.00		\$100.00		\$108.00		\$104.00		\$105.00	

Market Value: \$97.00-\$108.00
Median: \$104 (R) \$100
Mean: \$102.80 (R) \$100

The median/mean of the Adjusted Sales indicates \$100.00 per square foot for the Industrial/Commercial Condominium Building.
Therefore, 4,060 ft.² x \$100.00 per square foot = \$406,000 (R) \$400,000.

SECTION VII: RECONCILIATION AND FINAL ESTIMATE OF VALUE

RECONCILIATION AND FINAL ESTIMATE OF VALUE

This appraisal represents the conclusion of our investigation of the forces and factors influencing the value of the subject property. We have relied on the Direct Comparison Approach and supported it by the Income Approach to Value.

The value estimates developed are as follows:

Income Approach	UNIT #1 LEVEL 2: \$450,000
Direct Sales Comparison Approach	UNIT #1 LEVEL 2: \$400,000

The Income Approach is a back-up indicator of market value based upon the estimated income and operating expenses of the building, tested against market information, as well as market derived capitalization rates. We choose the Direct Sales Comparison Approach which is at the bottom of the market range \$400,000-\$450,000. The market value of the subject property is:

UNIT #1 LEVEL 2: \$400,000

Based on the information as set out throughout this report, the final estimate of value of the subject property located at 3 Crescent Road, Unit #1 Level 2 Huntsville, Ontario, as at August 16, 2018 is as follows:

FINAL ESTIMATE OF VALUE:

UNIT #1 LEVEL 2
“FOUR HUNDRED THOUSAND DOLLARS” (\$400,000)

SECTION VIII: ADDENDA

MPAC



(M)
(O)

Property Detail Report



Purchased Date: 2018-08-23



Property Address: 3 CRESCENT RD [SUITE 15]

Municipality: HUNTSVILLE TOWN

Roll Number: 444206001307416

Base Sales & Assessment Data

Property Information:

Property Type: Industrial
Property Code & Description: S75-Industrial condominium
Legal Description: UNIT 1, LEVEL 2, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390 TOWN OF HUNTSVILLE

Number of Full Storeys:
Number of Partial Storeys:
Frontage(ft):
Depth(ft):
Site Area(sq.ft.):

Sale Information:

Last Sale Date: 16/11/2015
Last Sale Amount: \$355,000

Valuation Information:

Assessed Value on January 1, 2016*: \$343,000
Assessed Value on January 1, 2012: \$330,000
Taxation Year Phased-In Assessment
2016 \$330,000
2017 \$333,250

2019 \$339,750
2020 \$343,000

NOTE: Under the Assessment Act a number of changes have been made to the property assessment system which became effective in the 2016 property tax year. These changes include the introduction of a four year assessment update and a phased-in of assessment increases. For more information regarding Assessment Updates visit www.mpra.ca
*Assessed Value is based on a January 1, 2016 Valuation Date
**Phased-In Assessment reflects the phased-in portion of the Assessed Value returned to the municipality/local taxing authority on the 2017 Assessment Roll for the 2018 taxation year

Enhanced Data:

Sanitary Service:
Water Service:
Zoning Code:



115 OF 1000 REPORTS VIEWED

SEARCH BY

ADDRESS RANGE

NAME

PIN

INSTRUMENT/PLAN

LOT&CONCESSION

ARN

MUSKOKA (JS)

3

CRESCENT RD

Summary

Property Details

Neighbourhood Sales

Demographics

Plan List By PIN

3 CRESCENT RD

HUNTSVILLE (P1H1Y3)

ACTIVE | PIN:488800015 | ARN:44808200049

Search By Block Enhanced Report GeoWarehouse Store

Land Registry Information - PIN: 488800015

Address: 3 CRESCENT RD

Municipality: HUNTSVILLE LRO: 35 Area: N/A

Land Registry Status: ACTIVE Registration Type: LT Perimeter: N/A

Description: UNIT 1, LEVEL 2, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 86 AND ITS APPURTENANT INTEREST SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390 TOWN OF HUNTSVILLE

Party To: DAD VENTURES INC.,

Condominium Information

Condominium Corporation: MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80

Common Name: N/A Suite Number: N/A

SELECTED PIN TYPE LEGAL LEVEL LEGAL UNIT

488800015 SUITE 2 1

Assessment Information

Map View

Street View

Layers

Assessment

Search Result

Subject Property

Subject Property

Address

Plan

Subject ARN

Neighbourhood Sale

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Property Details

GeoWarehouse Address:
3 CRESCENT RD
HUNTSVILLE
P1H1Y3

PIN: 488800015

Land Registry Office: MUSKOKA (35)

Land Registry Status: Active

Registration Type: Certified (Land Titles)

Ownership Type: Condo



Ownership

Owner Name:
DAD VENTURES INC.

Legal Description

UNIT 1, LEVEL 2, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390 TOWN OF HUNTSVILLE

Condominium Corporation

MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 60

Common Name: MUSKOKA STANDARD

Condo Declaration Registration Date: May 19, 2015

Suite Number: 1

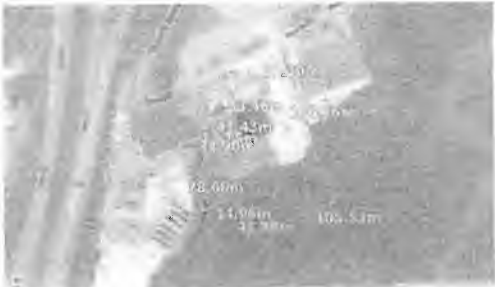
Related Units

Type	Level	Unit	PI#
------	-------	------	-----

Lot Data

Area: 206129.32 sq. ft.
Perimeter: 2047.24 ft.
Measurements: 201.11ft x 109.71ft x 135.93ft x 39.85ft x 114.71ft x 257.81ft x 114.7ft x 100.55ft x 345.23ft x 179.25ft

These lot boundaries may have been adjusted to fit within the overall parcel fabric and should only be considered to be estimates.



Assessment Information

ARN	Assessed Value	Phased-In Value			
444206001307416	\$343,000		\$336,500	\$539,750	\$343,000
	Based on Jan 1, 2016		2018	2019	2020
Frontage:		N/A	Description:	Industrial condominium	
Depth:		N/A	Property Code:	575	

Transfer Summary

Sale Date	Sale Amount	Party To	Instrument Type	Notes
Nov 16, 2015	\$355,000	DAD VENTURES INC.;	Transfer	

ZONING



[illegible]

Province	District	Municipal	Private	Parks
Alberta	Calgary	Calgary	Calgary	Calgary
British Columbia	Vancouver	Vancouver	Vancouver	Vancouver
Manitoba	Winnipeg	Winnipeg	Winnipeg	Winnipeg
Ontario	Toronto	Toronto	Toronto	Toronto
Quebec	Montreal	Montreal	Montreal	Montreal
Saskatchewan	Saskatoon	Saskatoon	Saskatoon	Saskatoon
Atlantic	Halifax	Halifax	Halifax	Halifax



5.6.2 Permitted Uses - Principal Uses:

Row	Permitted Uses (principal use)	Table 5.6.2					
		M1	M2	M3	M4	M5	M6
ii		Light Industrial	Muskoka Commerce Park	Rural Special Industrial	Heavy Industrial	Sand and Gravel	Pit and Quarry
iii	Adult Entertainment Establishment	*	*				
iv	Concrete Product Mfr				*	*	*
v	Contractors Establishment	*	*	*	*		
vi	Educational Institution	*	*				
vii	Fuel Storage Facilities	*		*	*		
viii	Garden Centre	*	*	*			
ix	Health Services	*	*				
x	Heavy Equip Sales & service			*	*		
xi	Heavy Industrial Use				*		
xii	Home Improvement Centre	*	*				
xiii	Kennel	*			*		
xiv	Laundromat/Dry Cleaner	*	*		*		
xv	Light industrial use	*	*	*	*		
xvi	Material Recovery Facility				*		
xvii	Motor Vehicle Body Shop	*			*		
xix	Motor Vehicle Dealership	*	*				
xx	Motor Vehicle Service Station	*	*	*			
xxi	Motor Vehicle Washing Establishment	*(3)	*				
xxii	Office	*	*				
xxiii	Personal Service Establishment	*	*				


5.6.3 Permitted Uses - Accessory Uses:


Table 5.6.3							
Row		M1	M2	M3	M4	M5	M6
i	Permitted Uses (accessory use)	Light Industrial	Medium Commerce Park	Rural Special Industrial	Heavy Industrial	Sand & Gravel	Pit and Quarry
iii	Dwelling Unit	*(b) (c)		*(b) (c)			
iv	Retail	*(a)	*(a)				
v	Outdoor Storage	*	*	*	*	*	*
vi	Office			*(b)	*	*	*
vii	NOTES: (a) To a maximum 200 square metres (2 153 sq. ft.) (b) One accessory dwelling unit is permitted on the 2nd floor of a building. (c) No accessory dwelling is permitted on a lot used for fuel storage facility, motor vehicle body shop, or motor vehicle service station.						


5.6.4 Lot Requirements:


Row		Table 5.6.4						
		Lot Standards						
			M1	M2	M3	M4	M5	M6
			Light Industrial	Muskegon Commercial Park	Rural Special Industrial	Heavy Industrial	Sand & Gravel	Pit and Quarry
ii	Lot Coverage	Full services	20 m (65.6 ft.)	20 m (65.4 ft.)	n/a	45 m (147.6 ft.)	60 m (300 ft.)	80 m (300 ft.)
iv		Private services	60 m (196.9 ft.)	n/a	60 m (196.9 ft.)	60 m (196.9 ft.)	90 m (300 ft.)	80 m (300 ft.)
v	Lot Area	Full services	0.2 ha (0.5 ac)	1000 sq m (10760 s.f.)	n/a	0.4 ha (1.0 ac)	0.4 ha (1.0 ac)	0.4 ha (1.0 ac)
vi		Private services	0.4 ha (1.0 ac)	n/a	2.0 ha (4.9 ac)	2.0 ha (4.9 ac)	0.4 ha (1.0 ac)	0.4 ha (1.0 ac)
vii	Lot Coverage (Max) %		40	50	30	30	30	30
viii	Yard Requirements	Front Yard	(a)	5 m (16.7 ft.)	15 m (49.2 ft.)	15 m (49.2 ft.)	(b)	(b)
ix		Interior Side Yard	5 m (16.4 ft.)	5 m (16.4 ft.)	7.5 m (24.6 ft.)	7.5 m (24.6 ft.)	(b)	(b)
x		Interior Side Yard (abutting a residential zone)	15 m (49.2 ft.)	15 m (49.2 ft.)	15 m (49.2 ft.)	15 m (49.2 ft.)	(b)	(b)
xi		Exterior Side Yard	5 m (16.7 ft.)	5 m (16.7 ft.)	15 m (49.2 ft.)	7.5 m (24.6 ft.)	(b)	(b)
xii		Rear Yard	7 metres (23.0 ft.)	8 m (26.2 ft.)	7.5 m (24.6 ft.)	7.5 m (24.6 ft.)	(b)	(b)
xiii		Rear Yard (abutting a residential zone)	15 m (49.2 ft.)	15 m (49.2 ft.)	15 m (49.2 ft.)	15 m (49.2 ft.)	(b)	(b)
xiv	Establish farm systems (or sold)	Cold water	20 m (65.4 ft.)	20 m (65.4 ft.)	20 m (65.4 ft.)	20 m (65.4 ft.)	20 m (65.4 ft.)	
xv		Warm water	20 m (65.6 ft.)	20 m (65.6 ft.)	20 m (65.6 ft.)	20 m (65.6 ft.)	20 m (65.6 ft.)	
xvi	Building Height (maximum)		11 m (36.1 ft.)	11 m (35.1 ft.)	11 m (35.1 ft.)	11 m (35.1 ft.)	11 m (36.1 ft.)	
xvii	Other Provisions		(c)(d)(e)	(c)(d)(e)	(c)(d)(e)	(c)	(b)	(b)
xviii		NOTES (a) 15 metres (49.2 ft.) (Provincial Highway and District road); 9 metres (29.5 ft.) for other streets (b) No building, structure, or outside storage of materials, equipment, finished or unfinished products, or parking or stage of trucks or cranes or any other mechanical equipment is permitted i) Within 60 m (196.9 ft.) of a public street or road. ii) Within 30 m (98.4 ft.) of a zone boundary (c) Accessory display and sales area must be within the same building as the use to which it is accessory and shall not exceed 25% of the gross leasable area (d) Uses shall be limited to low water using and low effluent producing uses. Such uses are characterized as uses that: i) use a water supply or sewage disposal not greater than domestic requirements ii) do not use water for processing; iii) do not create discharge which would be a hazard to ground or surface water, or negatively affect the operation of the sewage disposal system (e) Uses not on full services shall be limited to low water using and low effluent producing uses. Such uses are characterized as uses that: i) use a water supply or sewage disposal not greater than domestic requirements ii) do not use water for processing; iii) do not create discharge which would be a hazard to ground or surface water, or negatively affect the operation of the sewage disposal system						


COMPARABLES (5)

	3 Progress Dr 3		Sold: \$350,000.00 For Sale	
	Orillia Ontario L3V 0T7		List: \$369,900.00 For Sale	
	Orillia Orillia Simcoe			
	Taxes: \$8,146.31 /2017 /Annual		For: Sale %Dif: 95	
Std Area: 0		SPIS: N		
Legal: Simcoe Condo Plan 284 Level 1 Unit 3 Level 1 Unit		Last Status: Std		
Commercial/Retail		Lse Term Months: /		
Commercial Condo		Holdover: 0		
Freestanding: N		SPIS: N		
Occup: Owner Possession: 60 Days / Tba		Franchise:		
DOM: 70				
MLS#: S4019926		PIN#: 592840003		
Seller: Elizabeth Rosemarie Susan Thisdelle		ARN#:		
Lsd Price 1st Yr:		Comm Condo Fee: \$598.85		
2nd Yr:		Contact After Exp: Y		
3rd Yr:		4th Yr:		
5th Yr:				
Total Area: 3,595 Sq Ft		Survey:		
Ofc/Apt Area: 163 Sq Ft		Lot/Bldg/Unit/Dim: Feet Unit		
Indust Area:		Lot Irreg: 1 Condo Unit In A Building		
Retail Area: 225 Sq Ft		Crane:		
Apx Age:		Bay Size:		
Volts:		%Bldg:		
Amps:		Washrooms:		
Zoning: M3		Water: Municipal		
Truck Level:		Water Supply:		
Grade Level:		Sewers:		
Drive-In:		A/C: Y		
Double Man:		Utilities: Y		
Clear Height:		Garage Type: None		
Sprinklers: N		Energy Cert:		
Heat: Gas Forced Air Open		Cert Level:		
Phys Hdp-Eqp:		GreenPIS:		
		Park Spaces: #Trl Spc:		
Bus/Bldg Name:		For Year:		
Actual/Est:		Financial Stmt:		
Taxes:		Heat:		
Insur:		Hydro:		
Mgmt:		Water:		
Maint:		Other:		
Gross Inc/Sales:		EstValueInvAtCost:		
-Vacancy Allow:		Com Area Upchrg:		
-Operating Exp:		% Rent:		
=Net Inc B4 Debt:				
Client Remks: For More Property Info And Photos Click Go To Listing Link. On Mobile Website Click Realtor Website Link. On Mobile Apps Click Multimedia Icon. Business Condo. Located In High Traffic Business Park W/ Easy Access To Hwy 11 & 12. Zoned M3 With Many Different Uses. The Building Is 3595 Sq. Ft. It Has A Large Front Foyer, Main Flr Office, 31 X 38 Ft Warehouse W/ Large Bay Door & Loading Dock, 2 Locker/Bathrooms, 2nd Floor Studio & Mezzanine.				
Extras:				
Brkage Remks: Mere Posting. Sellers Represent Themselves. Contact Seller 705-417-1608. For All Appts. Co-Op Comm Paid Direct By Seller - Use Form 202 & Present Offer To Seller Listing Brkg Only Responsible To Pay \$1. Deposits Never Held By Lb. Aps, Amends & Waivers Sent To Lb To Report Sale.				
Mortgage Comments:				
List: MY MOVE REALTY, BROKERAGE Ph: 855-881-8680 Fax: 866-881-8680				
RAVI SINGH DUHRA, Broker of Record 855-881-8680				
Co-Op: NON-TREB BOARD OFFICE, BROKERAGE Member Non-Treb, Staff				
Contract Date: 1/11/2018		Sold Date: 3/23/2018		
Expiry Date: 7/18/2018		Closing Date: 6/25/2018		
Last Update: 5/04/2018		Comments:		
CB Comm: \$1000 (As Per Brokerage Remarks)		Leased Terms:		

	25 Saunders Rd 6-7 Barrie Ontario L0L1L0 Barrie 400 East Simcoe 508-11-Q Taxes: \$9,456.00 /2017 /Annual Std Area: 3204 Sq Ft SPIS: N Legal: *See Extras		Sold: \$402,000.00 For Sale List: \$432,540.00 For Sale For: Sale %Dif: 93 Last Status: Std DOM: 234		
	Industrial Industrial Condo Freestanding: N Occup: Owner Possession: 60 Days		Lse Term Months: / Holdover: 180 SPIS: N Franchise:		
	MLS#: S3777619 PIN#: Seller: Anthony Sgambelluri & Carole Sgambelluri Lsd Price 1st Yr: 2nd Yr: 3rd Yr: 4th Yr: 5th Yr:		ARN#: Comm Condo Fee: \$926.00 Contact After Exp: N		
	Total Area: 3,204 Sq Ft Ofc/Apt Area: 5 % Indust Area: 95 % Retail Area: Apx Age: 16-30 Volts: Amps: Zoning: Em4, Industrial Truck Level: 0 Grade Level: 0 Drive-In: 2 Double Man: 1 Clear Height: 18 Sprinklers: Y Heat: Gas Forced Air Open Phys Hdp-Eqp:		Survey: Lot/Bldg/Unit/Dim: Acres Lot Lot Irreg: Crane: Bay Size: %Bldg: Washrooms: Water: Municipal Water Supply: Sewers: San+Storm A/C: N Utilities: A Garage Type: Outside/Surface Energy Cert: Cert Level: GreenPIS: Park Spaces: #Trl Spc:		
Bus/Bldg Name: Actual/Est: Taxes: Insur: Mgmt: Maint:		Heat: Hydro: Water: Other:		For Year: Financial Stmt: Gross Inc/Sales: -Vacancy Allow: -Operating Exp: =Net Inc B4 Debt:	
Client Remks: Legal Description: Unit 6 - Unit 6, Level 1, Simcoe Standard Condominium Plan No. 399 And Its Appurtenant Interest Subject To An Easement As In Lt124582 Town Of Innisfil. Unit 7 - Unit 7, Level 1, Simcoe Standard Condominium Plan No. 399 And Its Appurtenant Interest Subject To An Easement As In Lt124582 Town Of Innisfil Extras: Great Value Industrial Condo Units Excellent Access To The 400. Units Can Be Divided To 1,602 Sq Ft Brkage Remks:					
Mortgage Comments:					
List: CBRE LIMITED, BROKERAGE Ph: 416-674-7900 Fax: 416-674-6575 TED K. MCNAB, Salesperson JESSICA CRAVO, Salesperson 416-798-6226 Co-Op: Keller Williams Experience Realty Brokerage, BROKERAGE Kate Van Leeuwen, Salesperson Contract Date: 4/25/2017 Sold Date: 12/15/2017 CB Comm: 2.5% Of The Sale Price Expiry Date: 4/25/2018 Closing Date: 3/01/2018 Leased Terms: Last Update: 12/15/2017 Comments:					

	61 King St 17 Barrie Ontario L4M 6B5 Barrie 400 West Simcoe 508-Q Taxes: \$14,283.56 /2016 /Annual Std Area: 3505 Sq Ft SPIS: N Legal: See Remarks		Sold: \$540,000.00 For Sale List: \$595,000.00 For Sale For: Sale %Dif: 91 Last Status: Std DOM: 225	
	Industrial Industrial Condo Other Freestanding: N Occup: Owner Possession: Tbd		Lse Term Months: / Holdover: 90 SPIS: N Franchise:	
MLS#: X3706577 PIN#: 593230017 ARN#: 434204001809327				
Seller: Athlete Performance Systems Inc. Comm Condo Fee: \$1,224.16 Contact After Exp: N				
Lsd Price 1st Yr: 2nd Yr: 3rd Yr: 4th Yr: 5th Yr:				
Total Area: 3,505 Sq Ft Ofc/Apt Area: Indust Area: 3,505 Sq Ft Retail Area: Apx Age: 0-5 Volts: Amps: Zoning: Li Truck Level: 0 Grade Level: 1 Drive-In: 0 Double Man: 0 Clear Height: 16 Sprinklers: Y Heat: Gas Forced Air Cld Phys Hdp-Eqp: N		Survey: N Lot/Bldg/Unit/Dim: Feet Unit Lot Irreg: Crane: N Bay Size: %Bldg: 100 Washrooms: Water: Municipal Water Supply: Sewers: San+Storm A/C: N Utilities: Y Garage Type: None Energy Cert: Cert Level: GreenPIS: Park Spaces: #Tri Spc:		Soil Test: N Out Storage: N Rail: N Basement: N Elevator: None UFFI: No Assessment: Chattels: LLBO: Days Open: Hours Open: Employees: Seats: Area Inft: Major Highway Public Transit
Bus/Bldg Name: For Year: Financial Stmt:				
Actual/Est: Taxes: Heat: Gross Inc/Sales: EstValueInvAtCost:				
Insur: Hydro: -Vacancy Allow: Com Area Upchrg:				
Mgmt: Water: -Operating Exp: % Rent:				
Maint: Other: =Net Inc B4 Debt:				
Client Remks: Rare Unit For Sale In South Barrie. Unit Includes Finished Office Space And Open Area. 3 Loading Doors At Grade. Lots Of Uses In Li Zoning. Great Opportunity To Avoid Costly Rents To Landlord. Buy As Investment And Rent To Commercial Tenant Or Operate Your Own Business From Here. Taxes & Condo Fees Approx. To Be Verified.				
Extras:				
Brkage Remks: Legal Description: Unit 17, Level 1 Simcoe Standard Condominium Plan No. 323 And Its Appurtenant Interest. Lot 15 Pl 51M695; Lot 51M695; S/T As Set Out In Schedule "A" Of The Declaration Sc589426, Barrie. Contract Listing Agent For Further Details				
Mortgage Comments:				
List: HASSEY REALTY CORP. BROKERAGE Ph: 705-737-9595 Fax: 705-739-8816				
COLIN HASSEY Broker 705-737-9595				
Co-Op: Ed Lowe Limited Brokerage, BROKERAGE Catherine Anne Lowe, Broker Of Record				
Contract Date: 2/14/2017		Sold Date: 9/29/2017		CB Comm: 2.5% + Hst
Expiry Date: 2/06/2018		Closing Date: 10/12/2017		Leased Terms:
Last Update: 10/02/2017		Comments:		

	11 Patterson Rd 19-21 Barrie Ontario L4N3V9 Barrie 400 North Simcoe 504-8-L Taxes: \$10,358.54 /2018 /Annual Sld Area: 4620 Sq Ft SPIS: N Legal: See Remarks		Sold: \$600,000.00 For Sale List: \$699,000.00 For Sale For: Sale %Dif: 100 Last Status: Sld DOM: 6	
	Industrial Industrial Condo Warehousing Freestanding: N Occup: Owner Possession: Tbd		Lse Term Months: / Holdover: 90 SPIS: N Franchise:	
MLS#: S4156359 PIN#: 591800019 ARN#:				
Seller: Julie Diane Nolte And Roy Nolte Comm Condo Fee: \$891.48 Contact After Exp: N				
Lsd Price 1st Yr:		2nd Yr:	3rd Yr:	4th Yr:
Total Area: 4,620 Sq Ft Ofc/Apt Area: 1,280 Sq Ft Indust Area: 3,340 Sq Ft Retail Area: Apx Age: 16-30 Volts: Amps: 60 Zoning: HI (Formerly Em2) Truck Level: 0 Grade Level: 3: 12' x 12' Drive-In: 0 Double Man: 0 Clear Height: 19 Sprinklers: Y Heat: Gas Forced Air Open Phys Hdp-Eqp:		Survey: Y Lot/Bldg/Unit/Dim: Metres Lot Lot Irreg: Crane: N Bay Size: %Bldg: Washrooms: Water: Municipal Water Supply: Sewers: A/C: Part Utilities: Y Garage Type: None Energy Cert: Cert Level: GreenPIS: N Park Spaces: #Tri Spc:		Soil Test: Out Storage: N Rail: N Basement: N Elevator: None UFFI: No Assessment: Chattels: LLBO: Days Open: Hours Open: Employees: Seats: Area Infl: Major Highway Public Transi:
Bus/Bldg Name:		For Year:		Financial Stmt:
Actual/Est:				
Taxes:	Heat:	Gross Inc/Sales:	EstValueInvAtCost:	
Insur:	Hydro:	-Vacancy Allow:	Com Area Upchrg:	
Mgmt:	Water:	-Operating Exp:	% Rent:	
Maint:	Other:	=Net Inc B4 Debt:		
Client Remks: 3 Units Combined, 4,620 S.F. - This is A Heavily Traveled Industrial Area Of Town With Great Exposure !. There is 1,280 S.F. Office/Showroom With An Additional 360 S.F. Of Mezzanine Space Above The Warehouse For Extra Storage. 3 Large Overhead Doors - One For Each Unit. Approx 12' X 12'. Units Are Divisible. Rent Them Out Separately To Help Offset The Mortgage Extras: New Rooftop Hvac December 2017 Brkage Remks: Legal Description: Unit 19, 20, 21, Level 1, Simcoe Condominium Plan No. 180 - Pt Pk Lts 1, 2 & 3 Pl 20 Pts 1 & 2 51R22126, Except Pt Pk Lts 1 & 2 Pl 20, Pts 1 & 2 51R22243, More Fully Described In Schedule "a" Of Declaration Lt243904 : Barrie				
Mortgage Comments:				
List: ED LOWE LIMITED, BROKERAGE Ph: 705-726-3871 Fax: 705-726-8260 RON HOGGARTH, Salesperson 705-726-3871 Co-Op: CENTURY 21 B.J. ROTH REALTY LTD., BROKERAGE Kyla Vavala, Salesperson Contract Date: 6/06/2018 Sold Date: 6/12/2018 CB Comm: 2.5% Expiry Date: 12/31/2018 Closing Date: 8/09/2018 Leased Terms: Last Update: 6/12/2018 Comments:				

	235 Industrial Pkwy S 9 Aurora Ontario L4G 3V5 Aurora Aurora Village York		Sold: \$745,000.00 For Sale List: \$779,000.00 For Sale	
	Taxes: \$2,960.00 /2017 /Annual		For: Sale	% Dif: 96
	Std Area: 4251 Sq Ft SPIS: N		Last Status: Sld	
	Divisible			
Legal: Lt 61 Rc P10328 Pt 185R 30242 Aurora Yrscp 120 * DOM: 19				
Prop Mgmt: York Region Condo Corp 1120				
Industrial Industrial Condo Other Freestanding: N Occup: Vacant Possession: Immediate			Lsa Term Months: / Holdover: 180 SPIS: N Franchise:	
MLS#: N4061801 PIN#: 296510009 ARN#:				
Seller: 2327661 Ontario Inc. Comm Condo Fee: \$451.81 Contact After Exp: N				
Lsd Price 1st Yr: 2nd Yr: 3rd Yr: 4th Yr: 5th Yr:				
Total Area: 4,251 Sq Ft Divisible	Survey: Y	Soil Test:		
Ofc/Apt Area: 75 %	Lot/Bldg/Unit/Dim: 20 x 100 Feet Unit	Out Storage: N		
Indust Area: 25 %	Lot Irreg:	Rail: N		
Retail Area:	Crane: N	Basement: N		
Apx Age: 6-15	Bay Size:	Elevator: None		
Volts:	%Bldg: 100	UFFI: No		
Amps:	Washrooms:	Assessment:		
Zoning: E2 Industrial	Water: Municipal	Chattels:		
Truck Level: 0	Water Supply:	LLBO:		
Grade Level: 0	Sewers: San+Storm	Days Open:		
Drive-In: 1, 12' x 12'	A/C: V	Hours Open:		
Double Man: 0	Utilities: Y	Employees:		
Clear Height: 10	Garage Type: None	Seats:		
Sprinklers: Y	Energy Cert:	Area Infl: Major Highway		
Heat: Gas Forced Air Open	Cert Level:	Public Transit		
Phys Hdp-Eqp:	GreenPIS:			
Bus/Bldg Name:	Park Spaces: #Tri Spc:			
Actual/Est:	For Year:	Financial Stmt:		
Taxes:	Heat:	Gross Inc/Sales:	EstValueInvAtCost:	
Insur:	Hydro:	-Vacancy Allow:	Com Area Upchrg:	
Mgmt:	Water:	-Operating Exp:	% Rent:	
Maint:	Other:	=Net Inc B4 Debt:		
<p>Client Remks: High Quality Pre-Cast Concrete Building In High Demand Area Of Aurora. One Of Very Few Units With Two Full Floors Which Can House Two Occupants With Ease. Fully Framed On Both Levels. Unit Has Never Been Occupied. Sellers Will Assist With Competitive Financing. Building Permits Available For Completion Of Offices And Industrial Areas For Both Floors. Hvac Installed.</p> <p>Extras: Realty Taxes Are Based On Current Configuration And Will Be Re-Assessed When The Interior Of Unit Is Completed.</p> <p>Brkage Remks: *Legal Desc Con't: Level 1 Unit 9* Please Note: All Showings To Be During Business Hours And Listing Broker Must Attend. Please Allow 24 Hours Notice. Please Attach Schedule B And Form 801 See Attachment For Permitted Uses.</p>				
Mortgage Comments:				
<p>List: ROYAL LEPAGE RCR REALTY, BROKERAGE Ph: 905-836-1212 Fax: 905-967-0807</p> <p>PETER MACFARLANE BURDON Broker 289-231-3214</p> <p>Co-Op: RIGHT AT HOME REALTY INC., BROKERAGE Yemisi Alade Salesperson</p> <p>Contract Date: 3/08/2018 Sold Date: 3/28/2018 CB Comm: 2.5%</p> <p>Expiry Date: 9/30/2018 Closing Date: 5/16/2018 Leased Terms:</p> <p>Last Update: 4/05/2018 Comments:</p>				

3 Crescent Road, Unit #1 Level 2, Huntsville, ON

Addenda

JFH Barnes, Appraisal

EXHIBIT "K"

REPORT OF OPINION C F VALUE
OF
3 CRESCENT E.D.
HUNTSVILLE. ON

PROPERTY OWNED BY: DAD Ventures, in receivership.

TYPE OF PROPERTY: Condominium Office space presently leased to Tulloch Engineering. Known as Muskoka Condominium Plan 80, Unit 1, Level 2.

APPRAISAL COMPLETED FOR: Giuseppe Luongo.

APPRAISER: Robert MacLean. Sales Representative, Royal LePage Lakes of Muskoka, 395 Centre St N., Unit 100, Huntsville ON, P1H 2P5

In compliance with your request for an opinion of value on the above property, it should be noted that due to Covid 19 I was unable to gain access to the subject property. As a result the details including square footage etc were supplied to me in part by Giuseppe Luongo and also from a past expired listing for the subject property and MPAC...The Muskoka Property Assessment Corporation online information. The subject property is located in the south end of Huntsville, in the District of Muskoka. It is in an area of commercial offices and industrial space, and has all town services available at the site.

The roll number is 444206001307416 and the Pin number is 48880015.

There was a two year lease recently signed which pays \$4400.00 a month in 2021 and \$4600.00 a month in 2022.

The fact that it is leased out for a further two years will contribute greatly to the value of the unit.

PURPOSE OF THIS OPINION OF VALUE: Estimate market value as of January 6, 2021.

Market value for the purpose of this valuation is defined as being the highest price in terms of money a property will bring if exposed for sale on the open market, allowing reasonable time to find a purchaser who buys with the knowledge of all of the uses for which the property is adapted and capable.

In arriving at an estimate of market value, due consideration was given to all factors and forces that influence value at the subject location including comparative sales of similar properties in the same or similar locales.

I BELIEVE THE MARKET VALUE TO BE: \$440,000.00 (Canadian.)

FOUR HUNDRED AND FORTY THOUSAND CANADIAN DOLLARS.

LIMITING CONDITIONS:

No responsibility has been assumed for matters legal in nature, nor has any opinion on title been rendered. This valuation assumes marketable title: liens and encumbrances, if any, have been disregarded and the property valued as though free from indebtedness. The information furnished me is assumed to be correct, and unless otherwise noted herein, it is assumed that there are no zoning violations or restrictions existing on the subject property.

I am not required to give testimony or appear in court by reason of this valuation unless arrangements have been previously made therefore.

CERTIFICATION:

I do hereby certify that I have no interest, present or contemplated, in this property, that neither the employment to make the valuation nor the compensation is contingent on the value reported and to the best of my knowledge and belief the facts and data contained in this report upon which opinions are based are correct, subject to the limiting conditions as set forth herein.

DATED: January, 6, 2021.

SIGNED:



ROB MACLEAN.
Sales Representative,
Lakes of Muskoka Realty Inc. (Royal LePage)

EXHIBIT "L"

SHORT NARRATIVE PROSPECTIVE APPRAISAL REPORT

of

An Industrial Condominium Complex

situate

3 Crescent Road
Huntsville, Ontario

This is Exhibit "D" to the Affidavit of
John Jarvis
Sworn before me this 6 day of
January, 2021
A Commissioner, etc.



for

2209326 Ontario Limited
c/o Mr. Ray Jarvis
Remax North Country Realty Inc.
75 West Road
Huntsville, Ontario



K M J Associates Ltd.

Appraising and Broker Services

September 8, 2014

Our File: #14-464

2209326 Ontario Limited
c/o Remax North Country Realty Inc.
75 West Road
Huntsville, ON P1H 1T4

Attention: Mr. Ray Jarvis

Re: An Industrial Condominium Complex, 3 Crescent Road, Huntsville, ON

In accordance with your request, we have completed an appraisal of the above property for the purpose of estimating its prospective market value, as defined.

Market value is defined as the most probable selling price of a property if exposed for sale in the open market by a willing seller, allowing a reasonable time to find a willing buyer, neither buyer nor seller acting under compulsion, both having a full knowledge of all the uses and purposes to which the property is adapted and for which it is capable of being used and both exercising intelligent judgement.

It should be noted that this appraisal is based on the assumptions that there will be a continuing demand for the subject in its highest and best use.

Having inspected the subject property, and having considered all physical, governmental and socio-economic factors affecting value, we estimate the prospective market value as at August 27, 2014 (our date of inspection), to be: -

FIVE MILLION, TWO HUNDRED THOUSAND DOLLARS.

(\$5,200,000.00)

Mr. Ray Jarvis
Re: 3 Crescent Road, Huntsville, ON
September 8, 2014

The prospective market value estimate determined in this report is for the sole use of the client to whom it is directed and for the defined purpose stated in this report. Any use which a third party makes of this report, or any reliance on, or decisions to be made based on it, are the responsibility of such third parties. KMJ & Associates Ltd. accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made, or actions taken, based on this report.

The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised. Nothing of an environmental concern was obvious at the time of inspection; however, it must be noted that we are not qualified to render an opinion in regards to environmental concerns.

The value estimate given in this report applies only at the effective date and is based on the current interpretation of the zoning by-law and market conditions.

This report contains 26 consecutively numbered pages, plus an addendum, of analysis and exhibits gathered during our investigations and supporting our conclusions.

Respectfully submitted
KMJ & Associates Ltd.

Digitally signed by R W Gowdy, AACI, P.App.
Date: 2014.09.12 09:34:33 -04'00'

Robert W. Gowdy, AACI, P.App.

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SUMMARY OF SALIENT FACTS

Owner (s):	2307400 Ontario Inc. 2209326 Ontario Limited
Property:	Industrial Condominium Complex 3 Crescent Road, Huntsville, ON
Land Area:	Approximately 4.925 acres
Improvements:	Offices & Adjoining Warehouse Units
Zoning:	(M1) Light Industrial Exception #1065
Highest and Best Use:	Office/Industrial Uses
Roll Number (Original):	44-42-060-013-07400-0000
Assessment:	n/a
Taxes:	n/a
Effective Date of the Appraisal:	August 27, 2014
Date of Inspection:	August 27, 2014
Prospective Value Estimates:	
By the Income Approach –	\$5,250,000.
By the Direct Comparison Approach –	\$5,200,000.
Final Estimate of Prospective Market Value:	<u>\$5,200,000.00</u>

ASSUMPTIONS AND LIMITING CONDITIONS

1. This report has been prepared at the request of Mr. Ray Jarvis for the purpose of providing an estimate of the prospective market value of the subject property at 3 Crescent Road, Huntsville, Ontario to assist in first mortgage financing purposes. All liability is denied to any other person(s) using this report without prior written consent of the author.
2. All copyrights of this report are reserved to the author. This report may not be quoted from nor referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose of such reference or disclosure.
3. The estimated market value given in this report pertains to the condominium rights of the subject property excluding mineral rights, if any. The estimated market value is predicated upon the condition that the property would be sold for cash and in compliance with all contractual agreements. Other financial arrangements may affect the price at which the subject property might sell.
4. While every effort has been made to verify the authenticity of the data used in preparing this report, certain information has been accepted at face value, especially if there is no reason to doubt its accuracy. The following assumptions and limiting conditions apply:
 - i. It is assumed that title to the subject property is good and marketable but no responsibility is assumed for legal matters, opinions of title and questions of survey.
 - ii. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised. Nothing of an environmental concern was obvious at the time of inspection; however, it must be noted that we are not qualified to render an opinion in regards to environmental concerns.

ASSUMPTIONS AND LIMITING CONDITIONS (cont'd.)

- iii The legal description of the subject property and the area of the site were obtained from Land Title documents. Plans and sketches are included to aid in visualizing the location of the property and the relative position of any improvements and should not be used for any other purpose.
- iv The estimate of market value is based on the assumption that the subject property is free of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described herein. It is assumed that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with any government authority or pursuant to any agreement to lease, which may affect the stated value or saleability of the subject property.
- v It is assumed that all available municipal and public utility services have been installed, connected and are operating satisfactorily and full payment for all of the services has been made.
- vi The author's interpretation of the leases or other contractual agreements should not be construed as a legal interpretation. It is assumed that all leases are fully enforceable and that all rents referred to in this report are being paid in full as per the rental agreements (if applicable).
- vii It is assumed that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health bylaws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto. It is also assumed that there are no work orders or other notices of violations of law outstanding with respect to the real estate and that there is no requirement of law preventing occupancy of the real estate as described in this report.
- viii It is assumed that all construction will be carried out in accordance with properly executed plans; that proper workmanship and supervision will be employed in the new design process; that the property will be occupied and in operation within a reasonable period of time following completion of the construction and that the property will be managed in a manner which is typical for the property being appraised.

NOTE: The building is an existing structure comprised of front two storey offices and the rear improvements were two adjoining warehouses. The current plans are to divide the structure into several condominium units for sale purposes.

ASSUMPTIONS AND LIMITING CONDITIONS (cont'd.)

5. Should the author of this report be required to give testimony or appear in court or at any administrative proceedings relating to this appraisal, prior arrangements shall be made therefor, including provision for additional compensation to permit adequate time for preparation and for any appearance which may be required. However, neither this nor any other of these assumptions and limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of this report which best serves the administration of justice.
6. The estimated market value given in this report applies to the subject property on the effective date specified "as if" divided into several condominium units. Because market conditions can change without warning or notice, this value estimate cannot be relied upon as of any other date without subsequent advice from the author of this report. In the event that this property is placed on the open market, we cannot guarantee or warrant that the said property will sell for the value estimated herein.
7. The distribution of value between land, buildings and other improvements applies only in regard to the purposes and function of this appraisal, as outlined in the body of this report.
8. The value expressed herein is in Canadian dollars.
9. This report is only valid if it bears the original signature of the author.
10. These Assumptions and Limiting Conditions shall be read with all changes in number and gender as may be appropriate or required by the context or by the particulars of this mandate.
11. This is a Short Narrative Report, which is concise and briefly descriptive, but does not contain the information and detailed analysis of a full narrative report.

Note: It is reported the subject property will meet and obtain its final approval as a multi-unit condominium complex on November 15, 2014.

DEFINITION OF THE APPRAISAL PROBLEM

Purpose and Function of the Appraisal

The subject property has been appraised in order to estimate its prospective market value, as defined, as at the effective date. It is understood that this appraisal may assist in first mortgage financing purposes, but said function is not a condition of the market value estimate.

Legal Description

The subject property is defined as Part Lots 7 & 8, Concession 14 (Brunel) Town of Huntsville, District of Muskoka and now defined as Parts 1 to 10, R.P. 35R18868 and Part 4 Plan 35R24299.

Note: There is an easement/right-of-way for vehicular and pedestrian traffic over Parts 2-5 & 8 Plan 35R18868 to the benefit of a neighbouring property. There are other easements that require a legal interpretation that go beyond the scope of this report.

Property Rights Appraised

Property rights are valued in this appraisal as being in Condominium Rights, which includes the right of sale, lease, entry, gifting, or refusal to do any of these things, but subject to original reservations by the Crown.

History of Subject Property

The subject property was reportedly acquired in July 2009 for \$800,000. A tenant occupied the property in 2010 and reportedly spent \$1,000,000 in upgrades to the improvements. The owner acquired a vacant abutting lot and then upgraded it. Roof repairs on the subject building and other expenses have occurred to meet the condominium requirements.

Date to Which the Appraisal Applies

As at August 27, 2014 **only** (date of inspection) and under the market conditions existing at that time. This appraisal assumes the acceptance of all condominium approvals and completion of the building as proposed.

DEFINITION OF THE APPRAISAL PROBLEM (cont'd.)

Definition of Market Value

Market value is defined as the most probable selling price of a property, if exposed for sale in the open market by a willing seller, allowing a reasonable time to find a willing buyer, neither buyer nor seller acting under compulsion, both having a full knowledge of all the uses and purposes to which the property is adapted and for which it is capable of being used and both exercising intelligent judgement.

The time it takes for a property to sell depends on various factors, the most important of which includes its initial list price in relation to other similar properties currently for sale and the degree of exposure the property receives in the marketplace. Anticipated market conditions and availability of funds are other factors. Generally if a property does not sell within the first month or two of being listed for sale, it most often remains unsold for six months to one year.

Our analysis of the market conditions pertaining to industrial condominium units indicates that the exposure varies several months for marketing time. This is the first such complex in Huntsville.

Extent of the Appraisal Process

- A cursory inspection of the subject property was completed on August 27, 2014.
- Brief descriptions of the region, neighbourhood and site were completed.
- A title sub-search was not made for this report.
- This value estimate is for a number of condominium units in one complex. The Income and Direct Comparison Approaches will be carried out for this report.
- The physical characteristics used to develop this appraisal are based on sales discovered from several data sources. Market data was researched and analysed and a brief description and analysis of these sales was completed.
- This is a Short Narrative report, which is concise and briefly descriptive.

REGIONAL, NEIGHBOURHOOD & SITE DATA

The District of Muskoka was created January 1, 1971. It is made up of the six area municipalities, namely the Towns of Bracebridge, Gravenhurst and Huntsville and the Townships of Georgian Bay, Lake of Bays and Muskoka Lakes.

The Town of Huntsville is the main commercial and residential centre in the District with a population of about 18,000. Huntsville provides all the main services including shopping, employment and medical facilities.

Algonquin Provincial Park is a prominent park facility located a short distance east of Huntsville via Highway #60. This park is 7,725 square kilometers of forest inundated with numerous lakes and rivers. The Town expands by approximately 6,200 during the summer months with people arriving to enjoy summer activities.

The subject property is located in the southwest sector of the urban area of Huntsville in a neighbourhood having a mix of commercial and light industrial properties. The subject property fronts on the south side of a hard-top dead-end street.

The 4.925-acre site has an irregular shape and the front portion has a level topography at grade with the street. A small portion of the rear lot has a wooded/upward sloping topography. The east portion of the site is a compacted gravel parking area that also provides access to several loading doors in the warehouse. The very east limit of the site is subject to a surface roadway easement in favour of the adjoining property. Laneway access to the north-west corner of the subject warehouse is via a laneway easement over the adjoining property. A recent acquisition of 0.68 acres has expanded the westerly side yard allowing vehicle access and parking for the westerly facing units. A storm drainage easement is also reported to be on site. The drainage ditch along the east limit was cleaned and upgraded in 2010 along with the graveled yard. The site has full municipal services as well as natural gas, electricity and telephone services.

DESCRIPTION OF THE IMPROVEMENTS

WAREHOUSE:

Type of Building:	Pre-Engineered Steel Warehouse Section
Foundation Walls:	Masonry
Roof Covering:	Rubber Membrane, Built-Up Composition and Steel (not inspected)
Building Size:	Approximately 53,966 Square Feet
Age:	Structures and Additions were Built in Various Years from 1967 – 1999
Basement:	Nil
Heating System (A/C):	Suspended Gas Heaters – upgraded 2010
Electrical System:	600 & 800 Amp Panels – 3 Phase
Plumbing System:	Copper & ABS
Floors:	Masonry
Walls:	Steel Cladding on Warehouse
Ceilings:	Warehouse: Open (14 to 22 feet clear height)
Bathroom(s):	Large Facilities for Men & Women (some new upgrades in 2010)
Interior Condition:	Average to Good
Exterior Condition:	Average

DESCRIPTION OF THE IMPROVEMENTS (cont'd.)

Comments:

- This warehouse complex was built in stages.
- The two original structures were built side-by-side and are reported to be pre-engineer Armco structures with gable roofs.
- Other additions were then built on the east and west sides of these structures.
- One section has a mezzanine area finished for offices.
- The west addition has a clear height reported to be 22 feet and has an air make-up unit to replenish the fresh air in this area.
- There is one overhead door in the north-west corner of this section and six overhead doors in the easterly rear section of the complex.
- The easterly section of the building has a ceiling height reported to be 14 feet.
- This warehouse is being divided into 13 separate condominium units and a common area hallway. The units will vary in size from approximately 2,531 square feet to 7,777 square feet.

OFFICE COMPLEX – UNITS 14 & 15

- This modern two storey office building is located at the front of the property.
- It has masonry floor construction on both levels and a deco-block exterior with good fenestration.
- There is new roof-top heating, air conditioning unit.
- A one storey section joins this 2 storey section to the warehouse.
- The interior finish is carpet flooring, painted drywall walls and suspended T-Bar ceilings with recessed fluorescent lighting and trac lights.
- The front entrance has ceramic tile floor with vinyl tile in the reception area.
- The office area is approximately 10,080 square feet on two levels.
- The office complex is in good condition since many upgrades were done in 2010.

DESCRIPTION OF THE IMPROVEMENTS (cont'd.)

Property Upgrades:

As reported earlier in this report, the Federal Department of Public Works commissioned about \$1,000,000. in upgrades to this property in the spring of 2010.

- A considerable amount of gravel was added and compacted to the east side yard for vehicular traffic and parking. A drainage ditch was cleaned to improve the drainage at the east limit of the lot.
- Carpet floors were upgraded in the two storey offices, a reported \$125,000. was spent to extend a fibre optic cable to the premises and several computer wall outlets were added.
- The roof top heating/air conditioning unit was replaced.
- A new kitchenette with a considerable amount of cupboards were added as well as a first aid station
- Mercury vapour light fixtures and suspended gas heaters were replaced throughout the warehouse.

ZONING AND OFFICIAL PLAN DESIGNATION

Zoning

The subject property is zoned (M1) Light Industrial with Exception "1065" according to Zoning Bylaw #2008-66 for the Town of Huntsville, as amended. "Exception 1065" is shown in the addendum of this report.

Official Plan

The Official Plan for the Town of Huntsville designates the subject as Industrial.

Note: There is a possibility a small area at the rear of the property, where it is heavily treed, is in the Open Space Designation. A surveyor may determine this upon a review of the property to locate the exact rear limit of the site.

The subject property received a Certificate of Conditional Approval on March 26, 2014 (File No. C2014-1 Crescent Road) for the conversion to a condominium project. There are conditions to be met with the Town of Huntsville and District of Muskoka.

HIGHEST AND BEST USE

The principle of Highest and Best Use is fundamental to the concept of market value. Highest and Best Use is defined as "that particular use which is most likely to produce the greatest net return in terms of money, benefits or amenities over a given period of time." Net return may be monetary, as with an income producing property; or may, as is the case with family dwellings, take the form of amenities such as pride of ownership, comfort, convenience, etc.

The first step in the valuation of a property is to arrive at an estimate of its Highest and Best Use. The importance of correctly estimating the Highest and Best Use cannot be over emphasized, as it follows that if the estimate of Highest and Best Use is in error, the appraisal is based on unsound premises. It should also be noted that if the appraiser is convinced that the existing use is not the Highest and Best Use of the site, the existing use must be ignored in the site valuation.

For a potential use to represent the Highest and Best Use of a property, it must be:

- 1) physically possible
- 2) legally permissible
- 3) financially feasible
- 4) maximally productive

Establishing the Highest and Best Use of a property begins with determining permissible uses under applicable zoning bylaws. Then, alternate uses must be considered. Following this, it is necessary to establish those uses which will produce a net return to the owner and finally, determine which of these uses will produce the greatest net return.

In conjunction with the above, careful consideration must be given to the following factors which influence Highest and Best Use

Physical Factors (frontage, width, shape, access, topography, etc.)

Legal Factors (restrictions, leases, easements, rights-of-way, etc.)

Location Factors (land use patterns, hazards, etc.)

Economic Factors (supply/demand, anticipation, competition, etc.)

Being mindful of the above criteria, we have carried out an analysis of the Highest and Best Use of the subject property as if vacant.

HIGHEST AND BEST USE (cont'd.)

The subject property is currently partially occupied by tenants using the warehouse and offices.

Demand for a large complex like the subject is weak at the present time (August 2014). The owners have seen the demand to be better for smaller units; therefore, they are converting the building into 15 condominium units. Once approved, the highest and best use for the subject over the foreseeable future is the proposed condominium use.

EXPLANATION OF THE APPRAISAL PROCEDURE

There are traditionally three recognized approaches used in order to estimate the market value of a property.

The Cost Approach is based on the premise that a prudent purchaser would not pay more for an improved property than the cost to buy a comparable parcel of vacant land and build the existing improvements thereon. An estimate of market value is obtained by adding the depreciated cost of the improvements to the land value, as if vacant.

The Cost Approach to value will not be applied in this appraisal of the subject property.

In the Income Approach to value, the net income stream from an income producing property is capitalized into an indication of market value by the application of an appropriate capitalization rate. The net income is estimated by subtracting the owner's expenses from the gross income estimate. The capitalization rate applicable to the Subject property is obtained by a study of rates indicated in the market place or by the Band of Investment Method which is a blend of mortgage interest and interest on equity expected. The market value estimate is then obtained by dividing the estimated net annual income by the selected capitalization rate.

The subject property's proposed use as an income producing property and its income generating capabilities will be capitalized to give an indication of market value.

The Direct Comparison Approach is based on the principle of substitution; that is, a prudent purchaser would not pay more for a property than it would cost to buy a similar property. In this approach, sales of condominium units are selected for comparison. Indications of value for the subject are obtained in comparison with each of the comparable sales used.

This approach will be used for this report.

VALUATION

INCOME APPROACH UPDATE

Introduction

The Income Approach, often called the Income Capitalization Method, rationally assumes that there is a relationship between the income, specifically net income, that a property is capable of earning and its value at any given moment in time. The main objective of the Income Approach is to find the present worth of future benefits.

There are several steps to be completed in applying the Income Approach:

- * Estimate the total annual gross income of the property less allowance for future vacancies and bad debts;
- * Estimate the total annual operating expenses;
- * Calculate the annual net operating income, which is equal to gross income less expenses;
- * Select an appropriate capitalization rate;
- * Select the appropriate method of capitalization;
- * Using a suitable procedure, convert the anticipated annual net operating income stream into an indication of value.

Estimated Annual Gross Income

Discussion of Rent Schedule

Approximately four years ago the subject was in transition from an owner occupied building to an industrial rental property. Now it is presently being converted to a multi-unit industrial condominium complex. The front 2 storey section is partially occupied by a tenant who has presented an offer-to-purchase the two units once condominium status has been obtained. For this approach, a market rent was applied to the 10,080 square feet on the two levels. An overall blended rate of \$11.50/square foot net was considered applicable.

The rear one storey warehouse is two adjoining buildings and is being divided into 13 condominium units. There are currently two tenants on lease and one prospective tenant has presented a "letter-of-intent". These rents will be applied in the rent schedule below. A market rent of \$9/square foot net will be applied to the remaining units.

INCOME APPROACH (cont'd.)**Estimated Annual Gross Income (cont'd.)****Tenants**

- Units 5-6-7: A Letter-of-Intent has this tenant proposing to lease a total of 8,816 square feet for \$8.00 per square foot net. This proposed lease is for a term of five years with an option for another five years.
- Units 11 & 12: Habitat for Humanity was given a preferred rate in mid-2011 at \$4.00 per square foot net. This was for a five year term with an option to renew for a further five years.
- Unit 13: Love Grove Construction leased this unit in October 2012 for three years with an option for a further three year term. This unit is 3,827 square feet and the lease rate is \$7.00 per square foot net.

Rent Schedule Calculation

Front 2 Storey Offices (Units 14 & 15)	10,080,sf x \$11.50	115,920
Rear Warehouse		
Units 5-6 & 7 Letter-of-Intent	8,816 sf x \$8.00	70,528
Units 11 & 12 Habitat for Humanity	13,028 sf x \$4.00	52,112
Unit 13 Lovegrove Construction	3,827 sf x \$7.00	26,789
Units 1-2-3-4-8-9-10	23,953 sf x \$9.00	<u>215,577</u>
Total Estimated Annual Rent		\$480,926
Less Vacancy (5%)		<u>(24,046)</u>
Effective Gross Income Estimate		\$456,880

Expenses

Management (5%)	22,844	
Repairs & Maint (3%)	<u>13,706</u>	
Total Estimated Annual Expenses		<u>36,550</u>
Estimated Net Annual Income		\$420,330

INCOME APPROACH (cont'd.)

Capitalization of Net Income

"Capitalization" is the process of converting into present value (or obtaining the present worth of) a series of anticipated future periodic installments of net income. In real estate appraising, the mathematical process of applying a specific capitalization rate to the anticipated future income stream is known as "discounting".

All capitalization methods and techniques provide a means of converting net operating income into present value. Each capitalization method and technique possesses its own strengths and weaknesses when confronted with the task of providing an indication of value for any particular property in any particular market. It is incumbent on the appraiser to utilize the capitalization procedure(s) which will best reflect the attributes of the property being appraised, in light of the actions of typical purchasers/investors of that type of property.

The author's interpretation of the local market indicates that the most reliable indications of value for the Subject property can be developed through the procedures of Direct Capitalization and the Mortgage-Equity Methods. The Direct Capitalization Method will be used for this report.

The Direct Capitalization Method, which utilizes an overall capitalization rate extracted from the marketplace, provides an highly defensible market supported indication of value. In analyzing the overall rates indicated by comparable sales, it is necessary to keep in mind the nature of "overall" capitalization rates. The single most important aspect of the overall rate is that it is an "umbrella" in that every conceivable factor that investors consider falls within its spectrum. The fact that overall rates are all-encompassing is the very strength of the Direct Capitalization Method.

In analyzing the overall rates, we have carefully considered the factors which embody these rates and how these factors compare to the subject property. Our considerations include, among others: location, age of improvements, vacancy factors, quantity and quality of income streams, rental appeal, market appeal, etc.

INCOME APPROACH (cont'd.)**Capitalization of Net Income (cont'd.)**

We have reviewed our analysis, and having done so, are of the opinion that 8% is the most appropriate overall capitalization rate to use in valuing the subject by the Direct Capitalization Method. An indication of market value is, therefore, calculated as follows:

$$\frac{\$420,330.}{0.08} = \$5,254,125.$$

rounded to \$5,250,000.

The prospective market value of the subject property, as at August 27, 2014 as indicated by the Income Approach, is therefore estimated to be:

\$5,250,000.00

Notes Regarding Capitalization Rate

The limited information on hand is indicating overall capitalization rates for industrial properties varying from 6% to 9%.

VALUATION (cont'd.)

DIRECT COMPARISON APPROACH

Introduction

This approach is based on the principle of substitution; that is, a prudent purchaser would not pay more for a property than it would cost to buy a similar property. In this approach, sales of condominium units are selected for comparison. Indications of value for the subject are obtained in comparison with each of the comparable sales used.

Due to the subject being converted to an industrial condominium complex, it was necessary to widen the search area for similar sales. Small town Ontario does not usually have condominium units similar to this complex. The sales discovered in the cities of Barrie, Oshawa and Whitby are discussed below.

Discussion of Sales

Sale #1: **647 Welham Road, Unit 508-12P**
Barrie, ON

photo not available

Sale Price: \$150,000.
Sale Date: June 2014

Remarks:

This 1,200 square foot condominium unit is in a mixed commercial/industrial centre with a warehouse with 18 feet clear height. It is about 10 years old and has two overhead doors. The sale price reflects a value of \$125/square foot of unit area.

Sale #2: **1333 Boundary Road 27, Unit 26**
Oshawa, ON

Sale Price: \$165,000.
Sale Date: June 2014

Remarks:

This 1,574 square foot condominium unit is in an industrial complex with a number of units. The warehouse section comprised 95% of the unit and has a clear height of 14 feet and one overhead door. The sale price reflects a value of \$112/square foot of unit area.



DIRECT COMPARISON APPROACH (cont'd.)**Discussion of Sales (cont'd.)****Sale #3: 170 Fuller Road, Unit #9****Ajax, ON****Sale Price:** \$259,999.**Sale Date:** June 2013**Remarks:**

This 2,100 square foot condominium unit is an end unit in a small complex. This property and others on Fuller Road tend more towards industrial units rather than commercial/office uses. This unit has a small 150-square foot office space whereas the balance is open space. The sale price reflects a value of \$124/square foot of unit area.

**Sale #4: 1333 Boundary Road 27, Unit 22****Oshawa, ON****Sale Price:** \$165,000.**Sale Date:** February 2013**Remarks:**

This 1,515 square foot condominium unit is in an industrial complex with a number of units. The warehouse section comprises 90% of the area and has a clear height of 14 feet and one overhead door. It has a number of new upgrades including a bathroom, kitchenette and mezzanine area. The unit is in good condition. The sale price reflects a value of \$109/square foot of unit area.

**Sale #5: 2020 Wentworth Street West, Units 4 & 15****Whitby, ON****Sale Price:** \$240,000.**Sale Date:** January 2013**Remarks:**

These 2,120 square foot condominium units are in an industrial complex. The unit is approximately 20-25 years old and is basically a warehouse section in all the double units. There is a mezzanine in a portion of the unit. The sale price reflects a value of \$113/square foot of unit area.



DIRECT COMPARISON APPROACH (cont'd.)

Analysis of Sales and Estimate of Value

Upon reviewing the above sales, the value per square foot of unit area appears to be a reasonable unit of comparison with the subject.

These sales are reflecting a range in value from \$109. to \$125/square foot; however, the units are considerably smaller (1,200 to 2,120 sf) than the subject units. The subject units range from 2,530 square feet in one unit to 7,700 square feet for the largest unit.

A basic rate selected for this report is \$120/square foot; however, downward adjustments were considered necessary for size and its small town more rural location. A rate of \$110/square foot was considered reasonable for all units except Unit #12 which is much larger at 7,770 square feet. A rate of \$100. was applied to this unit.

Calculations

Units 1 to 11 & 13	33,020 sf x \$110	\$ 3,632,200
Unit 12	7,770 sf x \$100	<u>777,000</u>
Total Value Estimate for Units 1 to 13		\$ 4,409,200

PLUS – Two Storey Front Section (Units 14 & 15)

It appears the ground floor office is 6,080 square feet in size and the second floor is 4,000 square feet for a total area of 10,080 square feet. The owner reports this section has an agreement of purchase and sale with the understanding it will become a condominium complex by mid-November 2014 at which time this transaction will close.

Summary

Front 2 Storey Section	Units 14 & 15	\$ 775,000
Rear Whse Section	Units 1 to 13	<u>4,409,200</u>
Total Estimated Value		\$ 5,184,200

The prospective market value of the subject property, as at August 27, 2014, assuming completion as a condominium complex, as indicated by the Direct Comparison Approach, is therefore estimated to be: -

\$5,200,000.00

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RECONCILIATION AND FINAL ESTIMATE

Prospective Value Estimates:

By the Income Approach \$5,250,000.

By the Direct Comparison Approach..... \$5,200,000.

The subject property has been appraised for the purpose of estimating its prospective market value, as defined.

The Income Approach was carried out by analysing a combination of existing rents and market rents for this type of occupancy. The value estimate was derived by converting the net annual income into a present worth. This value estimate warranted some consideration.

The Direct Comparison Approach was carried out by analysing condominium sales discovered in the cities of Barrie, Oshawa and Whitby. It was necessary to review sales in these municipalities due to the lack of similar sales in Huntsville and/or other smaller towns in south-central Ontario. These sales reflect a demand for this type of unit by small businesses in these communities.

The prospective market value of the subject property, as of August 27, 2014 is therefore estimated to be:

\$5,200,000.00

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CERTIFICATION

We certify that, to the best of our knowledge and belief,

- The statements of fact contained in this report are true and correct.
- The analyses, opinions and conclusions reported herein are our personal and unbiased views and are limited only by the Assumptions & Limiting Conditions contained herein.
- We have no past, present or contemplated future interest in the real estate, which is the object of this report, and we have no personal interest or bias with respect to the parties involved.
- Our compensation is not contingent upon any action or event resulting from the analyses, opinion or conclusions in, or the use of, this report.
- This valuation and the procedures related thereto, follow the Codes of Ethics and the Standards of Professional Practice of the professional Institutes and Societies of which we are members and use of this report is subject to review by duly authorized representatives of these Institutes and Societies.
- The property was given a personal cursory inspection during the course of our investigations and analyses on August 27, 2014.
- This report sets forth all of the Contingent and Limiting Conditions affecting the analyses, opinions and conclusions contained herein.
- It is our considered and professional opinion that the prospective market value of the subject property, as at **August 27, 2014** is **\$5,200,000.00**

The market value estimate determined in this report is for the sole use of the client to whom it is directed and for the defined purpose stated in this report. Any use which a third party makes of this report, or any reliance on or decisions to be made based on it, are the responsibility of such third parties. KMJ & Associates Ltd. accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

KMJ & Associates Ltd.

Digitally signed by R W Gowdy,
AACI, P.App.

Date: 2014.09.12 09:34:54 -04'00'

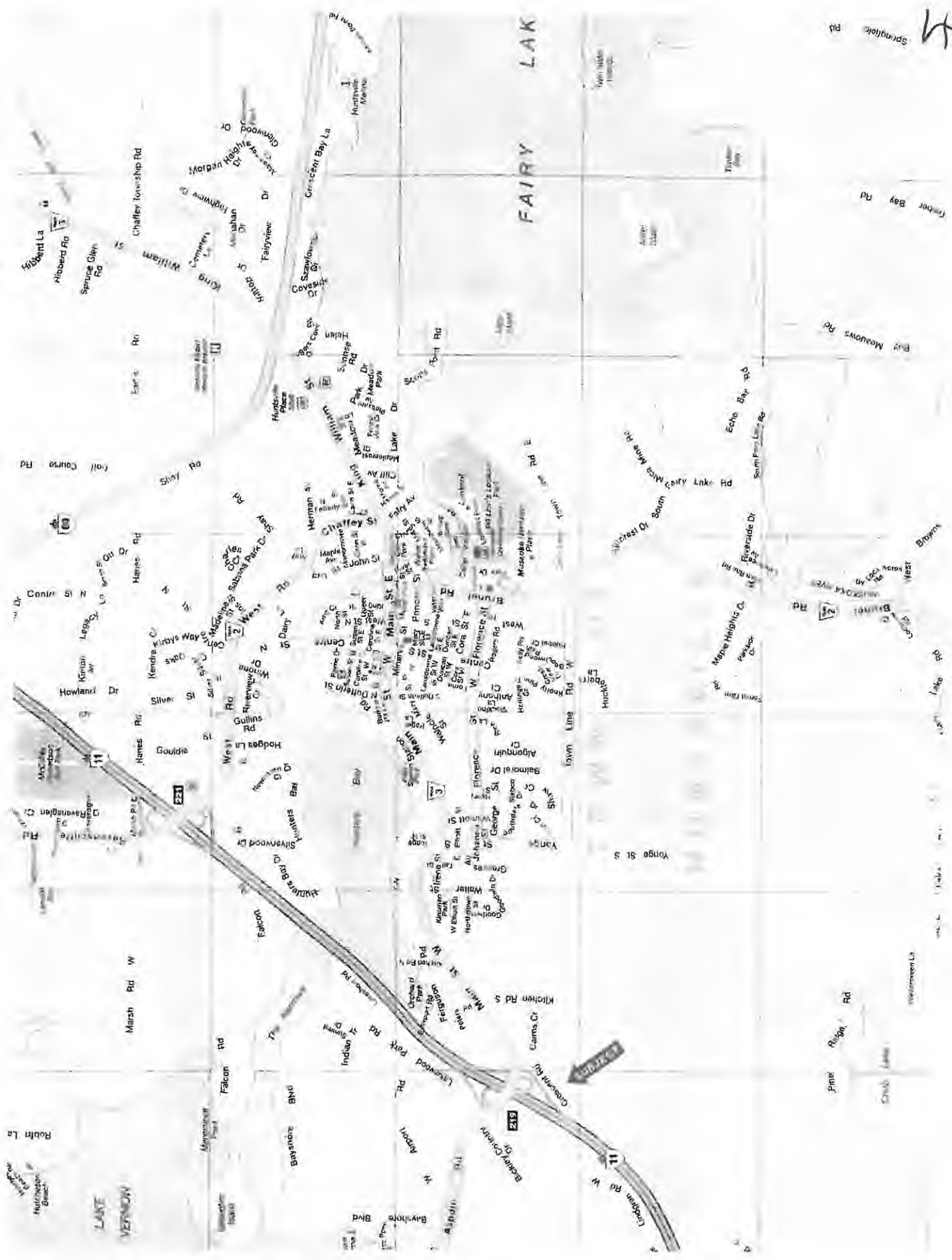
Robert W. Gowdy, AACI, P.App.

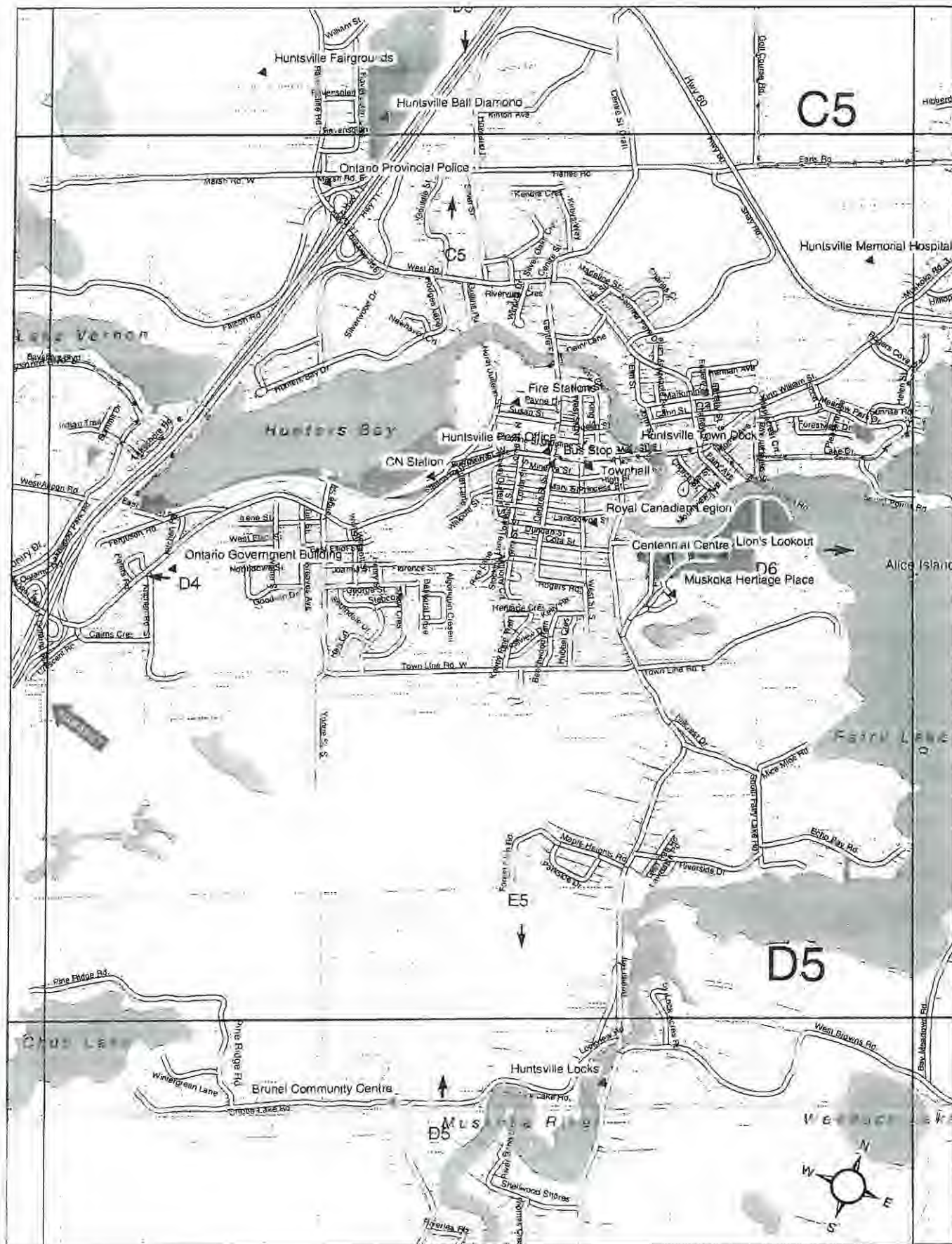
Date Signed: September 12, 2014

ADDENDUM

1. Location Maps (2)
2. Assessment Map
3. Zoning Map
4. Planning Act Certificate
5. Certificate of Conditional Approval (2)
6. Zoning Data
7. Land Title Documents (4)
8. Draft Plan of Condominium (2)
9. Subject Photographs

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Springdale Rd





x Town
of

3 CRESCENT ROAD ZONING MAP

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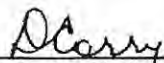
CERTIFICATE OF OFFICIAL

Pursuant to subsection 53 (42) of The Planning Act, R.S.O., 1990, I certify that the consent of the Huntsville Planning Advisory Committee was given on July 10, 2013 to the conveyance of the following described lands:

Part of Lot 7
Concession 14
Geographic township of Brunel
now in the Town of Huntsville
District Municipality of Muskoka
designated as Part 4
according to Plan 35R-24299

Section 50(3) or (5) of the Planning Act, R.S.O. 1990, as amended, applies to any subsequent conveyance or transaction in relation to the land subject to this consent.

And conclude that the conditions of the provisional consent have been complied with.



Denise Corry, Clerk
Huntsville Planning Advisory Committee

Dated this 15 day of October, 2013
RE: CONSENT FILE B/36/2013/HTE (Home Hardware Stores Ltd.)

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District Municipality of Muskoka
CERTIFICATE OF CONDITIONAL APPROVAL

File: Standard Condominium Description File No. C2014-1 (Crescent Road)

Location: 3 Crescent Road
Huntsville, Ontario
Lots 7 & 8, Concession 14
Brunel, Town of Huntsville

Date: March 26th, 2014

Part A – Approval

Standard Condominium Description File No. C2014-1 (Crescent Road Condominium) is approved subject to Parts B and C herein.

Part B – Conditions

General Conditions

1. This approval applies to the Standard Condominium Description, File No. C2014-1 "Crescent Road Condominium", prepared by Robert M. McDermott, dated December 7, 2013 and redlined on March 24, 2014 showing 15 units and associated common elements, all of which are located on Lots 7 and 8, Concession 14, Geographic Township of Brunel, Town of Huntsville.
2. Easements, in accordance with Section 20 (2) (b) of the Condominium Act, R.S.O. 1998, as may be required for access, pedestrian walkways, utilities, drainage, or other purposes shall be granted to the Town of Huntsville and any other authority or party as may be required.
3. Prior to final approval being granted, the owner shall ensure to the satisfaction of the Town of Huntsville that the condominium description is in compliance with the requirements of a registered site plan agreement, pursuant to the Planning Act, R.S.O. 1990, as amended.
4. Prior to final approval being granted, The District Municipality of Muskoka shall be provided with a copy of the final plan in digital format, including road centrelines, in accordance with The District Municipality of Muskoka Digital Draft and Final Plan of Subdivision/Condominium Description Submission Requirements.

Zoning By-law

5. Prior to final approval being granted, the Area Municipality shall advise Muskoka in writing how the final plan is in compliance with the zoning by-law in effect.

District Municipality Condominium Agreement

6. Prior to final approval being granted, the owner shall enter into a condominium agreement with The District Municipality of Muskoka in accordance with Section 51(26) of the Planning Act, R.S.O. 1990, as amended. The agreement shall be registered on title and include provisions obliging the owner to satisfy all the requirements, financial and otherwise, of The District Municipality of Muskoka, including but not limited to the following:

- i. to provide for the installation of municipal water and sewer services and associated capacity allocation; and
- ii. to address the disposal of solid waste.

Clearance Letters

- 7. Prior to final approval being granted, the Town of Huntsville shall advise The District Municipality of Muskoka in writing that conditions 2, 3 and 5 have been complied with to their satisfaction with a brief and concise statement detailing how each condition has been satisfied.
- 8. Prior to final approval being granted, The District Municipality of Muskoka shall be satisfied that conditions 2, 4 and 6 have been complied with to their satisfaction.

Final Approval

- 9. The final plan for registration must be in registerable form together with all necessary instruments or plans describing an interest in the land.
- 10. Prior to final approval being granted, the Commissioner of Planning and Economic Development or her designate shall be satisfied that the conditions of approval have been satisfied and the final condominium description is in conformity with the draft condominium description.

Part C - Lapsing Provision

In the event that the owner fails to fulfill the conditions of draft approval on or before March 26, 2019, the approval herein granted shall be deemed to have lapsed pursuant to the Planning Act, R.S.O. 1990, as amended.

Dated this 26th day of March, 2014



Acting Commissioner of Planning and Economic Development

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Table 6.1 – Exceptions

Zone Symbol	Exception No.	By-law No.	Location	Schedule No.	Provisions
NR	1034	94-49P	Pt. Lot 27, Con. 12, Stisted,	A-5, B-5	A Public Park shall not be permitted in this Natural Resources (NR) Zone and the only permitted use in this Natural Resource (NR) Zone shall be a dock located within the area identified on Property Detail Schedule 9-14.
SR5	1035	94-49P	Pt. Lots 26 to 29, Con. 12, Stisted	B-5	The location of any buildings within this Seasonal Residential (SR) Zone shall be located within the area identified on Property Detail Schedule 9-14.
NR	1036	94-49P	Pt. Lot 29, Con. 12, Stisted	B-5	A maximum of one dock per lot is permitted.
SR1	1037	94-47P	Pt. Lot 5, Con. 10, Brunel, Plan 425, Lots 24-27	I-7	The lot frontage and area and the location of the existing dwelling are deemed to comply. The minimum elevation of doors, windows or other openings in any new habitable building or in any reconstruction of the existing habitable building shall not be below the 283.45 m G.S.C. datum contour line.
C2	1053	94-70P	Lot 19 & Pt. Lots 20, 37 & 38, Registered Plan 1, Chaffey, 35R-9837, Pt. 2	G-6-1	<ul style="list-style-type: none"> A place of worship shall be an additional permitted use. No parking shall be required for the area shown on Property Detail Schedule 9-15. The parking requirement for any new buildings or structures outside the area shall be one (1) space for every 70 square metres of floor area. The frontage of the subject lands shall be deemed to be on High Street. The yard requirement for High Street and Princess Street shall be 5 metres (16.4 ft.). The maximum height of any building or structure shall be 2.5 stories.
RR	1061	94-72P	Pt. Lot 20, Con. 3, Stephenson, being Pt. 1, RD 499 and Pt. 1, 35R-14428	L-4	<p>A home-based business in automotive mechanical repairs shall be allowed within the existing detached garage with a maximum ground floor area of 119 sq. metres (1280 square feet) as an accessory permitted use and shall be restricted to only one person operating the business provided this person lives on the same parcel of property and does not have more than 1 employee. The outside storage area is for motor vehicles associated with the business not exceeding five at one time, and shall be screened from view from Landfill Site Road.</p> <p>For the purposes of this by-law "a home-based business in automotive mechanical repair" shall be defined as a building or structure within which the exclusive service performed or executed on motor vehicles for compensation, shall be limited to the installation of exhaust systems, transmission repairs, brake repairs, tire repairs and installation, rustproofing, major and minor mechanical repairs or similar use.</p>
RR	1063	95-4P	Pt. Lot 1, Con. 13, Brunel, 35R-16293, Pts. 5 & 7	H-6	The frontage shall be on a private right-of-way.
M1	1064	95-5P	Pt. Lots 7 & 8, Con. 14, Brunel and Pt. Lot 8, Con. 1, Chaffey	G-7-1	The only permitted uses shall be a day nursery and a parking lot.
M1	1065	95-5P and 97-42P	Pt. Lots 7 & 8, Con. 14, Brunel and Pt. Lot 8, Con. 1, Chaffey, 35R-15461, Pts. 1 & 2, 35R-1605, Pts. 13, 14 & 18,	G-7-1, G-7-3	The parking requirement for a manufacturing, processing or industrial building shall be 1 parking space for each 50 square metres (538 sq. ft.) of gross floor area.



Ontario
ServiceOntario

LAND
REGISTRY
OFFICE #15

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 3
PREPARED FOR SID
ON 2014/09/02 AT 10:00:34

48098-0761 (L7)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION

FIRSTLY: PT LOTS 7 & 8 CON 14 BRUNEL PTS 1 & 2 35R24550; PT LT 8 CON 14 BRUNEL, PTS 3, 4, 5, & 6, 35R24550; S/T EASEMENT OVER PTS 1 - 6 INCL. 35R24550 AS IN BUD2519; PT ROAD RTM TWP OF CHAFFRY & TWP OF BRUNEL (CLOSED BY DM290895) PTS 7 - 10 INCL. 35R24550; TOGETHER WITH AN EASEMENT OVER PT 14, 35R24550 AS IN DM311055; TOGETHER WITH AN EASEMENT OVER PT 13, 35R24550 AS IN LT221040; SUBJECT TO AN EASEMENT OVER PTS 2, 5, & 8 35R24550 IN FAVOUR OF PT LT 8 CON 14 BRUNEL PTS 1 & 2, 35R15461, PT 13, 35R16405 AND PT OF ORIGINAL ROAD ALLOWANCE BETWEEN TWP OF CHAFFRY & BRUNEL (CLOSED BY BYLAW 96-36) IN FRONT OF LT 8 CON 14 CHAFFRY AND IN FRONT OF LT 8, CON 14 BRUNEL, PT 10, 35R16405 AS IN DM311055; SUBJECT TO AN EASEMENT IN CROSS OVER PTS 7, 8, 9 & 10, 35R24550 AS IN DM290895; SUBJECT TO AN EASEMENT OVER PTS 4, 5 & 6, 35R24550 IN FAVOUR OF PT LOTS 7 & 8 CON 14, BRUNEL, PT 1, 35R15117, PTS 1 & 2 CON 35R15461 & PT 13, 35R16405 AS IN DM120049; SECONDLY: PART OF LOT 7 CON 14 BRUNEL PT 11, 35R24550; TOGETHER WITH AN EASEMENT OVER PT 12, 35R24550 AS IN MT132155; TOWN OF HUNTSVILLE

PROPERTY REMARKS:

PLANNING ACT CONSENT AS IN DM311055, DM311054, MT111911 FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.

ESTATE/QUALIFIER:

PER SIMPLE
LT ABSOLUTE PLUS
OWNERS' NAMES
2209326 ONTARIO LTD.
2307400 ONTARIO INC.

RE-ENTRY FROM 48098-0755

REGISTRATION DATE:
2014/06/24

CAPACITY SHARE
TCOM 50.0%
TCOM 50.0%

REG. NO.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CNO
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2014/06/24 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ASSHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
BUD2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C
REMARKS: SKETCH ATTACHED.						
DM62325	1968/01/08	BYLAW			TOWN OF HUNTSVILLE	C
DM79260	1970/10/05	NOTICE OF CLAIM			TOWN OF HUNTSVILLE	C
DM180696	1984/04/27	AGREEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM290896	1996/06/25	TRANSFER EASEMENT			TOWN OF HUNTSVILLE	C
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

48098-0761 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

1 FIRSTLY: PT LTS 7 & 8 CON 14 BRUNEL PTS 1 & 2 35R24550; PT LT 8 CON 14 BRUNEL, PTS 3, 4, 5, & 6, 35R24550; S/T EASEMENT OVER PTS 1 - 6 INCL. 35R24550 AS IN BU2519; PT RDAL BTN TWP OF CHAFFEY & TWP OF BRUNEL (CLOSED BY DM290895) PTS 7 - 10 INCL. 35R24550; TOGETHER WITH AN EASEMENT OVER PT 14, 35R24550 AS IN DM331055; TOGETHER WITH AN EASEMENT OVER PT 13, 35R24550 AS IN LT221040; SUBJECT TO AN EASEMENT OVER PTS 2, 5, & 8 35R24550 IN FAVOUR OF PT LT 8 CON 14 BRUNEL PTS 1 & 2, 35R15461, PT 13, 35R16405 AND PT OF ORIGINAL ROAD ALLOWANCE BETWEEN TWP OF CHAFFEY & BRUNEL (CLOSED BY BYLAW 96-36) IN FRONT OF LT 8 CON 1 CHAFFEY AND IN FRONT OF LT 9, CON 14 BRUNEL, PT 10, 35R16405 AS IN DM331055; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 7 & 8, 9 & 10, 35R24550 AS IN DM290896; SUBJECT TO AN EASEMENT OVER PTS 4, 5 & 6, 35R24550 IN FAVOUR OF PT LTS 7 & 8 CON 14, BRUNEL, PT 1, 35R15317, PTS 1 & 2 ON 35R15461 & PT 13, 35R16405 AS IN DM120089; SECONDLY: PART OF LOT 7 CON 14 BRUNEL PT 11, 35R24550; TOGETHER WITH AN EASEMENT OVER PT 12, 35R24550 AS IN MT132155; TOWN OF HUNTSVILLE

PLANNING ACT CONSENT AS IN DM331055, DM331054, MT131911 FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.

RECENTLY:

RE-ENTRY FROM 48098-0755

PIN CREATION DATE:

2014/06/24

CAPACITY SHARE
TCOM 50.0%
TCOM 50.0%

INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
5 ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2014/06/24 **			
TION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *			
AL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **			
TOWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **			
09 TRANSFER EASEMENT ETCH ATTACHED.			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED
08 BYLAW			
05 NOTICE OF CLAIM			
27 AGREEMENT			TOWN OF HUNTSVILLE
31 AGREEMENT TE PLAN			TOWN OF HUNTSVILLE
25 TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA
21 AGREEMENT TE PLAN			TOWN OF HUNTSVILLE
28 AGREEMENT TE PLAN			TOWN OF HUNTSVILLE

E: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
E: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

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48098-0761 (LIT)

LAND
REGISTRY
OFFICE #16

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

BEG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CHGT/ CIRD
DW303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C
MT3301	2005/06/28	NOTICE AGREEMENT		HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C
MT69216	2009/07/17	TRANSFER	\$800,000	CEQUENT TOWING PRODUCTS OF CANADA LTD.	2209326 ONTARIO LTD. INVERHURON HOMES INC.	C
		REMARKS: PLANNING ACT STATEMENTS				
MT69219	2009/07/17	CHARGE	\$350,000	2209326 ONTARIO LTD. INVERHURON HOMES INC.	THE CANADA TRUST COMPANY	C
MT92413	2010/12/22	CHARGE	\$250,000	2209326 ONTARIO LTD. INVERHURON HOMES INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT112581	2012/05/25	CHARGE	\$1,500,000	2209326 ONTARIO LTD. INVERHURON HOMES INC.	HARBOROUGH MORTGAGE INVESTMENT CORPORATION	C
MT112582	2012/05/25	NO ASSON RENT GEN		2209326 ONTARIO LTD. INVERHURON HOMES INC.	HARBOROUGH MORTGAGE INVESTMENT CORPORATION	C
		REMARKS: MT112581.				
MT112583	2012/05/25	POSTPONEMENT		THE CANADA TRUST COMPANY	HARBOROUGH MORTGAGE INVESTMENT CORPORATION	C
		REMARKS: MT92413 TO MT112581				
MT112584	2012/05/25	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	HARBOROUGH MORTGAGE INVESTMENT CORPORATION	C
		REMARKS: MT92413 TO MT112581				
MT117338	2012/09/14	NOTICE		2209326 ONTARIO LTD. INVERHURON HOMES INC.	THE CANADA TRUST COMPANY	C
		REMARKS: RE CHARGE MT92419				
MT117339	2012/09/14	NOTICE		2209326 ONTARIO LTD. INVERHURON HOMES INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
		REMARKS: AMENDING MT92413				
MT117487	2012/09/16	TRANSFER	\$500,000	INVERHURON HOMES INC.	2307400 ONTARIO INC.	C
MT117488	2012/09/16	CHARGE	\$300,000	2307400 ONTARIO INC.	INVERHURON HOMES INC. JARVIS, RAYMOND	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

48098-0761 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NO.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT / CHRD
MT117959	2012/09/28	POSTPONEMENT		INVERHURON HOMES INC. JARVIS, RAYMOND	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
		REMARKS: MT117488 TO MT112581				
MT122732	2013/02/08	TRANSFER OF CHARGE		INVERHURON HOMES INC. JARVIS, RAYMOND	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
		REMARKS: MT117488.				
MT131911	2013/10/16	TRANSFER	\$730,000	HOME HARDWARE STORES LIMITED	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	C
		REMARKS: PLANNING ACT STATEMENTS.				
35R24550	2014/06/24	PLAN REFERENCE				
MT140118	2014/06/24	APL ABSOLUTE TITLE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
		REMARKS: MT137573				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

59

NEL

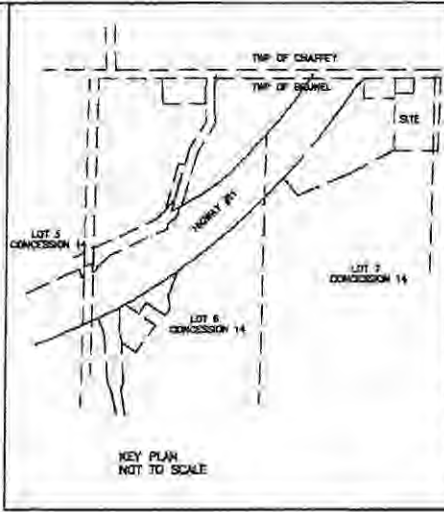


PART 1
35R-15461
PIN 48098-0278(LT)
INDUSTRIAL

REDLINED
March 24, 2013
(DATE)
BY: *[Signature]*

PART 1
35R-15317
OPEN SPACE
LOT 8
CONCESSION 14

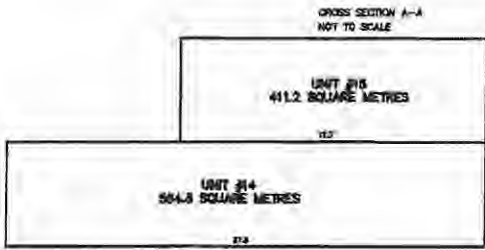
CONDOMINIUM PLAN APPROVAL FORM
Date approved, subject to conditions, under Section 61 of the Planning Act R.S.O., 1990, as amended, and pursuant to Section 6 (1) of the Condominium Act, R.S.O., 1990, as amended:
this 24th day of March 2013
[Signature]
THE DISTRICT MUNICIPALITY OF MUSKOKA



- OTHER INFORMATION**
- 1) ADDITIONAL INFORMATION REQUIRED UNDER SECTION 51(17) OF THE PLANNING ACT:
- A. LAND BOUNDARIES ARE AS SHOWN ON DRAFT PLAN
 - B. ROADS ARE AS SHOWN ON DRAFT PLAN AND KEY PLAN
 - C. KEY PLAN IS AS SHOWN ON DRAFT PLAN
 - D. PROPOSED INDUSTRIAL UNITS AS SHOWN ON PLAN
 - E. ADJACENT USES AS SHOWN ON PLAN
 - F. LOT DIMENSIONS AS SHOWN ON PLAN
 - G. TOPOGRAPHICAL FEATURES ARE AS SHOWN
 - H. WATER SUPPLY PROVIDED FROM MUNICIPAL WATER SERVICES
 - I. SOIL IS SANDY SILT AND SILTY SANDS OVER BEDROCK
 - J. CONTOURS AS SHOWN
 - K. MUNICIPAL SEWER SYSTEMS AVAILABLE
 - L. PART 2 AS SHOWN ON THIS PLAN IS A ACCESS EASEMENT AS IN UNIT D4331000
 - M. PART 4 AS SHOWN ON THIS PLAN IS A DRAINAGE EASEMENT AS IN UNIT D4331000
- ADDITIONAL INFORMATION FOR CONDOMINIUM DRAFT PLAN**
- 1) ADDITIONAL INFORMATION REQUIRED UNDER SECTION 51(17) OF THE PLANNING ACT:
- A. THE EXCLUSIVE USE AREAS OF THE COMMON ELEMENTS ARE: NONE
 - B. ROADS AND ACCESS AS SHOWN ON DRAFT PLAN
 - C. MUNICIPAL SEWER AND WATER SERVICES AVAILABLE VIA CRESCENT ROAD
 - D. DIMENSIONS OF UNITS AS SHOWN ON SHEET 1 OF DRAFT PLAN
 - E. TYPICAL SECTION OF UNITS ARE AS SHOWN ON SHEET 1 OF DRAFT PLAN
 - F. TYPICAL SECTION OF UNITS ARE AS SHOWN ON SHEET 1 OF DRAFT PLAN

**CRESCENT ROAD CONDOMINIUM
DRAFT PLAN OF CONDOMINIUM
OF PART OF LOTS 7 AND 8, CONCESSION 14
GEOGRAPHIC TOWNSHIP OF BRUNEL
TOWN OF HUNTSVILLE
DISTRICT MUNICIPALITY OF MUSKOKA**

SCALE 1: 400 METRES
[Scale bar showing 0 to 40 metres]
R.M. McDERMOTT O.L.S.



NOTE:
DISTANCES SHOWN ON THIS PLAN ARE IN METRES AND CAN BE CONVERTED TO FEET BY MULTIPLYING BY 3.28

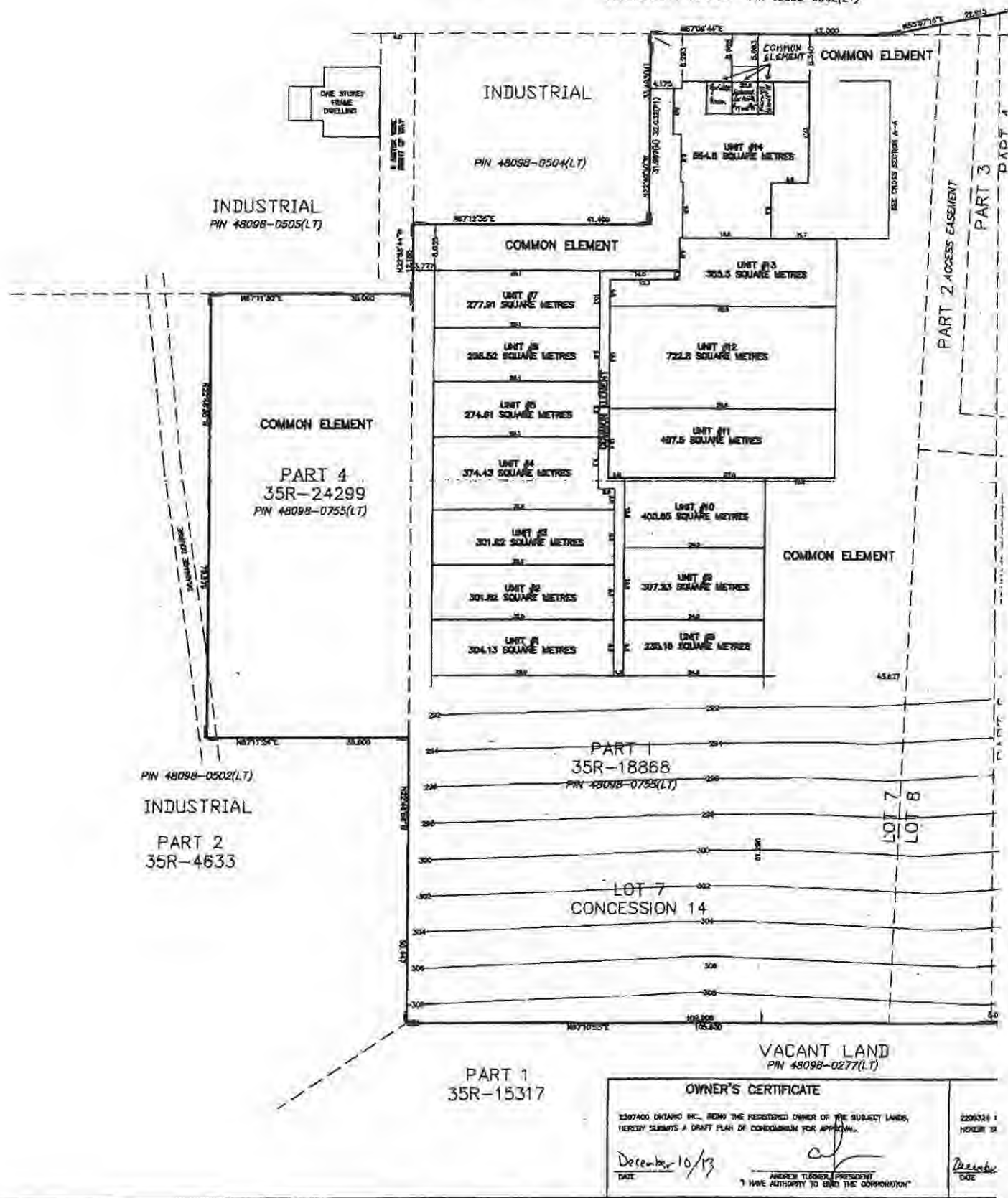
OWNER'S CERTIFICATE
2205526 ONTARIO LTD., BEING THE REGISTERED OWNER OF THE SUBJECT LANDS, HEREBY SUBMITS A DRAFT PLAN OF CONDOMINIUM FOR APPROVAL
DATE: December 10/13
[Signature]
PAT JAMES, PRESIDENT
I HAVE AUTHORITY TO BIND THE CORPORATION

SURVEYOR'S CERTIFICATE
I CERTIFY THAT:
THE BOUNDARIES OF THE LAND IN THE CONDOMINIUM (SHOWN IN HEAVY OUTLINE) AND THEIR RELATIONSHIP TO THE ADJACENT LANDS ARE CORRECTLY SHOWN ON THIS PLAN.
PORT SYDNEY, ONTARIO
DECEMBER 7TH, 2013
[Signature]
R.M. McDERMOTT
ONTARIO LAND SURVEYOR

SHEET 1
**ROBERT M. McDERMOTT
SURVEYING LIMITED
ONTARIO LAND SURVEYORS**
16-4 SOUTH MARY LAKE ROAD, PORT SYDNEY, ONTARIO
PHONE (706) 385-3188 FAX (706) 385-0802
PORT SYDNEY - ONTARIO
CAD FILE 2011-58 Mcd D-0235

60

ROAD ALLOWANCE BETWEEN THE TOWNSHIPS OF CHAFFEY AND BRUNEL
"CRESCENT ROAD" PIN 48098-0602(LT)



OWNER'S CERTIFICATE	
1307400 OILKIND INC., BEING THE REGISTERED OWNER OF THE SUBJECT LANDS, HEREBY SUBMITS A DRAFT PLAN OF CONVEYANCE FOR APPROVAL.	
December 10/13 DATE	<i>[Signature]</i> ANDREW TURNER, PRESIDENT I HAVE AUTHORITY TO SIGN THE CORPORATION
2206324 NOVEMBER 12	<i>[Signature]</i> DATE

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Subject Photographs
3 Crescent Road
Huntsville, Ontario



N/E Elevation of Front Building



S/E Elevation of Front Building



Westerly Entrance to Front Bldg



Westerly Limit of Front Property



N/E Corner of Rear Building



N/W Corner of Rear Building

Subject Photographs
3 Crescent Road
Huntsville, Ontario

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North Section of Rear Building



North Section of Rear Building



S/E Section of Rear Building



S/W Corner of Rear Building

63

Subject Photographs
3 Crescent Road
Huntsville, Ontario



Easterly Parking Lot



Westerly Vacant Land



View of Easement to Rear Bldg
(west limit)



Streetscape Looking West

EXHIBIT "M"

64

This is Exhibit " E " to the Affidavit of
John Jarvis
Sworn before me this 6 day of
January, 20 21
A Commissioner, etc.

APPRAISAL REPORT
OF
3 CRESCENT ROAD
HUNTSVILLE, ONTARIO
PIH 1Y3

PREPARED FOR
PACE CREDIT UNION
AND NOBLE HOUSE DEVELOPMENT CORPORATION
ATT: RAY JARVIS
101-29 MAIN STREET EAST
HUNTSVILLE, ONTARIO
PIH 2C6

EMAIL: ray@remax-muskoka.com

EFFECTIVE DATE

JUNE 28, 2017

BY

JAMES F.H. BARNES
A.A.C.I., P.APP.

1172 BAY STREET, #118
TORONTO, ONTARIO
M5S 2B4

TEL: (416) 606-9074

FAX: (705) 719-7780

e-mail: jfjbarnes@gmail.com

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James F.H. Barnes
Appraiser/Consultant
B.A., M.I.M.A., F.R.I., A.A.C.I., P.APP.
1172 Bay Street, Suite 118
Toronto, Ontario M5S 2B4
☎ 416-606-9074
ifhbarnes@gmail.com

LETTER OF TRANSMITTAL

Pace Credit Union
And Noble House Development Corporation
101-29 Main Street East
Huntsville, Ontario P1H 2C6

June 28, 2017

Attn: Ray Jarvis

Dear Mr. Jarvis,

Re: Appraisal of Property
3 Crescent Road, Huntsville, Ontario

In accordance with your request of June 2017, we have completed an appraisal of the above captioned property.

The property rights associated with the Market Value estimate herein are those of the Fee Simple Interest. The effective date of this report is June 28, 2017, which was the date of inspection of the property for appraisal purposes.

We have completed this report at the request of Ray Jarvis. The purpose is to estimate the Market Value of the subject property as at the effective date of this report for first mortgage lending purposes. It is not reasonable for any person other than the addressee of this report and the lender, and associated lenders, to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. We have prepared this report on the assumption that no other person will rely on it for any other purpose, and all liability to all such persons is denied.

This document has been prepared in accordance with the Canadian Standards of Professional Appraisal Practice (The Standards) adopted by the Appraisal Institute of Canada. By agreement, it is of a Narrative format. A Narrative format allows data, analysis and conclusions to be presented in an appropriate level of detail which can vary depending on the significance and complexity of the appraisal problem. It is considered for the purposes of the report some information has been accepted without full confirmation or with third party confirmation. certain assumptions or hypothetical conditions have necessarily been imposed to complete the assignment. These criteria are known as Extraordinary Limiting Conditions and have been outlined on Page 12.

We have completed the valuation of this property by the Direct Comparison Approach to Value. The premise of this method is the comparison of the appraised property to similar properties that have sold in Huntsville, and surrounding area including the GTA, and are alike in location, size, zoning, and overall potential. We have made adjustments to the comparable properties for differences from the subject, to indicate a value for the appraised property. As a unit of comparison, we have used the adjusted sale price per suite of the building.

The Income Approach to Value has been completed, on a revised basis to support the Direct Comparison approach.

This letter is invalid as an opinion of value if detached from the report, which contains the text, and Addenda. The Table of Contents is included on Page 5.

This report has been prepared in accordance with your instructions to assist you with the possible sale or refinance of the property. It is copyright and may not be reproduced in whole or in part, without prior written consent from the author(s).

It is intended that all relevant data upon which we have based our comments, opinions and conclusions has been included in the pages (including Addenda) of this report. There may be additional data however, utilized for the purposes of this report which has been retained in our files.

This report is subject to the Extraordinary Limiting Condition(s) and the Assumptions and Limiting Conditions and any specific critical assumptions as contained within the body of this report and Addenda.

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SECTION I

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CERTIFICATION

In submitting this report, I certify, that:

I personally inspected the subject property on June 28, 2017.

I have no present or prospective interest in the property that is the subject of this report, nor do I have a personal interest or bias with respect to the parties involved.

To the best of my knowledge the statements of fact contained within this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the Extraordinary Limiting Condition(s) and Assumptions and Limiting Conditions as set out in this report, and they are my personal, unbiased and professional analyses, opinions and conclusions. Further, no other(s) provided significant professional assistance to me in preparation of this report.

Neither the employment to perform this appraisal, nor the compensation, was contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

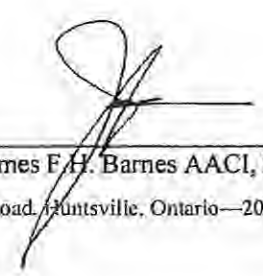
The Appraisal Institute has a mandatory Recertification Program for designated members. As of the date of this report I have fulfilled the requirements of the program.

The analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Canadian Uniform Standards of Professional Practice (The Standards) adopted by the Appraisal Institute of Canada and is subject to review by their duly authorized agent(s).

We submit our findings herein and conclude that in our professional and considered opinion, subject to the Assumptions and Limiting Conditions contained in this report, the Market Value of the Fee Simple Interest in 3 Crescent Road, Huntsville, Ontario, June 28, 2017 was:

VALUE OF PROJECT COMPLETED:
"EIGHT MILLION DOLLARS" (\$8,000,000)

Per:


James F. H. Barnes AACI, P.APP

3 Crescent Road, Huntsville, Ontario—2017

Date:

6/28/2017

June 28, 2017

James F. H. Barnes, Property Appraisal

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY IDENTIFICATION	- 3 Crescent Road - Huntsville, Ontario
EFFECTIVE DATE OF REPORT	- June 28, 2017
OWNERSHIP	- "2209326 Ontario Limited"
LOCATION	- 3 Crescent Road Huntsville, Ontario
PROPERTY RIGHTS APPRAISED	- Fee Simple
IMPROVEMENTS	- Industrial/with Office
SIZE OF BUILDING	- Today 54,334 ft. ² - Complete: 86,636 ft. ²
SITE DIMENSIONS AND AREAS	- 4.99 acres
LAND USE CONTROLS	- Light Industrial (M1-1065) Exception Zone
PARKING	- Above Ground—Ample
HIGHEST AND BEST USE	- Industrial/Office Building
<u>ESTIMATE OF VALUE COMPLETE</u>	- <u>\$8,000,000</u>

SECTION II: INTRODUCTION / FACTUAL INFORMATION

SCOPE OF THE ASSIGNMENT AND REPORTING FORMAT

Scope

- The specific tasks and items necessary to complete this assignment included the following:
- Meeting in Huntsville at building—tour inspection of building with owner, Ray Jarvis.
- The assembly and analysis of pertinent information concerning the property being appraised.
- The inspection of the subject property and the surrounding neighbourhood on June 28, 2017.
- The assembly of rental reports and Income/Expense reports.
- The assembly and analyses of relevant economic and market data.
- Discuss project with property managers.
- The analysis of rents and expenses for the subject property as at the effective date of this report.
- A review and statement of Highest and Best Use of the land.
- A discussion of appraisal methodologies and procedures employed.
- Analysis of comparable properties recently sold. Direct sales comparison approach to value.
- Complete gross incomes estimates, and the Abbreviated Income Approach.
- The inclusion of all appropriate photographs, maps, graphics, and addenda.

The reconciliation of the collected data into a final estimate of the subject's market value as at the effective date of the appraisal.

Report Format

All data included in the report is to the best of our knowledge factual. By agreement with the client, we have prepared the findings in an Appraisal format. A Report is a detailed report where Extraordinary Limiting Condition(s) have been invoked.

ASSUMPTIONS AND LIMITING CONDITIONS

We have completed this report at the request of Ray Jarvis. The purpose is to estimate the Market Value of the subject property as at the effective date of this report. It is not reasonable for any person other than the addressee of this report and **the lender** to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. We have prepared this report on the assumption that no other person will rely on it for any other purpose, and all liability to all such persons is denied.

This report has been prepared at the request of Ray Jarvis for the exclusive and confidential use of, the recipient and **the lender** for the specific purpose and intended use: to determine market value for first mortgage lending purposes. All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as disclosure quotation or reference.

The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required interpretive analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to the following Contingent and Limiting Conditions:

1. It is assumed that the title to the real estate herein appraised is good and marketable.
2. No responsibility is assumed for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, soil or sub-soil conditions, engineering or other technical matters which might render this property more or less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis, that certain problems may exist, a cautionary note has been entered in the body of this report.
3. The legal description of the property and the area of the site was obtained from taxation records.
4. It is assumed that the real estate is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described herein.

5. It is assumed there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.
6. It is assumed that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect hereto.
7. It is also assumed that there are no work orders or other notices of violation of law outstanding with respect to the real estate and that there is no requirement of law preventing occupancy of the real estate as described in this report.
8. Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulator agency, unless such investigations are expressly represented to have been made in this report.
9. The subject property must comply with such regulations and, if it does not comply, its noncompliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.
10. It is assumed that, save and except for encumbrances as may be permitted, there are no easements, rights-of-way, building restrictions or other restrictions so affecting the site as to prevent or adversely affect the operation of the property or so as to materially and adversely affect its market value, other than those described.
11. It is assumed that there is no action, suit, proceeding or investigation pending or threatened against the real estate or affecting the titular owners of the property, at law or in equity or before or by any federal, provincial or municipal department, commission, board, bureau, agency or instrumentality which may adversely influence the value of the real estate herein appraised.

12. The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.
13. The estimated market value of the property referred to herein is predicated upon the condition that it would be sold on a cash basis by the vendor and subject to any contractual agreements and encumbrances as noted in this report. Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as of any other date without subsequent advice of the author of this report.
14. Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, prior arrangements shall be made including provisions for additional compensation to permit adequate time for preparation and for any appearances which may be required.
15. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl's, petroleum leakage, or agricultural chemicals, which may be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such condition, nor for any expertise or engineering knowledge required to discover them.
16. However, neither this nor any other of these assumptions and limiting conditions are an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of this report which best serves the administration of justice.

The value expressed herein is in Canadian dollars. This report is only valid if it bears the original signature of the authors.

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EXTRAORDINARY LIMITING CONDITIONS

The report is subject to Extraordinary Limiting Conditions, as we have not:

1. Verified all sales data in the Registry Office. Therefore, we have relied upon third party verification of sales data.
2. Conducted a Title Search, nor examined the existence of easements, right-of-ways or restrictions (if any) and their effect on the appraised property.
3. Please note that the Addenda of this report does not contain data on file at the agency; including: Building Plans, Survey, Rental Surveys and Building Condition Reports. We refer to these documents but have not included them all in this report.

NOTE:

Exhibit E is too large to scan, email and file in its entirety.

A copy of the remainder of the said exhibit can be supplied by fax if requested.

PACE SAVINGS & CREDIT UNION LIMITED

v.

NOBLE HOUSE DEVELOPMENT CORPORATION, et al.

Applicant

Respondents

Court File No. CV-20-00635946-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

AFFIDAVIT OF PAUL WATERS

HARRISON PENSEA ^{LLP}
Barristers & Solicitors
450 Talbot St.
London, ON N6A 4K3

Timothy C. Hogan (LSO #36553S)

Tel: (519) 679-9660

Fax: (519) 667-3362

Email: thogan@harrisonpensa.com

Lawyers for the Applicant,
Pace Credit & Saving Union Limited

PACE SAVINGS & CREDIT UNION LIMITED

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PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF PAUL WATERS

HARRISON PENZA LLP
Barristers & Solicitors
450 Talbot Street
London, ON N6A 5J6

Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO# 69806O)

Tel : (519) 661-6725

Fax: (519) 667-3362

Email: thogan@harrisonpenza.com
rdanter@harrisonpenza.com

Lawyers for the Applicant,
Pace Savings & Credit Union Limited

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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PROCEEDING COMMENCED AT TORONTO

MOTION RECORD OF THE APPLICANT

HARRISON PENZA LLP

Barristers & Solicitors
450 Talbot Street
London, ON N6A 5J6

Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO# 69806O)

Tel : (519) 661-6725

Fax: (519) 667-3362

Email: thogan@harrisonpenza.com
rdanter@harrisonpenza.com

Lawyers for the Applicant,
Pace Savings & Credit Union Limited