

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

**MOTION RECORD  
(returnable June 25, 2021)**

Date: June 8, 2021

**AIRD & BERLIS LLP**

Barristers & Solicitors  
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Suite 1800, Box 754  
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Toronto, ON M5J 2T9

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*Lawyers for the Receiver*

TO THE ATTACHED SERVICE LIST

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**ONTARIO  
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B E T W E E N :

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Respondents

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# TAB A

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

**NOTICE OF MOTION  
(returnable June 25, 2021)**

msi Spergel inc. (“**Spergel**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties (collectively, the “**Property**”) of Noble House Development Corporation (“**Noble House**”), 2307400 Ontario Inc. (“**230**”) and 2209326 Ontario Ltd. (“**220**” and, together with Noble House and 230, the “**Debtor**”), will make a motion to a Judge of the Commercial List on Friday, June 25, 2021 at 11:00 a.m., or as soon after that time as the motion can be heard, by judicial videoconference due to the COVID-19 emergency via Zoom coordinates to be provided by the Applicant in its companion motion that is scheduled to be heard at the same time.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR** Orders, including, amongst other things:

- (a) if necessary, abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;

- (b) approving the Second Report of the Receiver dated June 8, 2021 (the “**Second Report**”) and approving the actions of the Receiver described therein, including, without limitation, approving the Receiver’s Interim Statement of Receipts and Disbursements appended to the Second Report;
- (c) approving the fees and disbursements of the Receiver and its counsel, including an accrual for fees and disbursements to be incurred by the Receiver and its counsel to the completion of these proceedings;
- (d) after payment of the fees and disbursements of the Receiver and its counsel, directing the Receiver to pay the monies remaining in its hands in accordance with subparagraphs 22(b), (c), (d) and (e) of the Second Report;
- (e) effective upon the filing of a certificate by the Receiver certifying that all outstanding matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver, discharging Spergel as the Receiver and releasing Spergel from any and all liability that Spergel has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Spergel while acting in its capacities as the Receiver; and
- (f) such further and other relief as counsel may advise and this Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

- (a) pursuant to an Order made February 20, 2020 (the “**Receivership Order**”), Spergel was appointed as the Receiver;
- (b) pursuant to the Receivership Order, the Receiver was authorized to market any or all the Property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver, in its discretion, deems appropriate;
- (c) the marketing and sale process culminated in a sale agreement and corresponding transaction (the “**Transaction**”) that were approved by the Court pursuant to an Approval and Vesting Order dated January 11, 2021;

- (d) the Transaction closed on February 12, 2021;
- (e) the Receiver has filed with the Court the Second Report, which outlines, amongst other things: (i) the actions of the Receiver since its previous reporting to Court; (ii) those stakeholders with an economic interest in the net proceeds from the closing of the Transaction; and (iii) the mechanics that the Court has ordered the Receiver and such stakeholders to follow to determine the entitlement to such net proceeds;
- (f) the Receiver and its counsel, Aird & Berlis LLP, have accrued fees and expenses in their capacity as the Receiver and counsel thereto, respectively, which fees and expenses require the approval of this Court pursuant to the Receivership Order;
- (g) the Receivership Order authorizes the Receiver to pass its accounts from time to time, and to include any necessary solicitor fees and disbursements in the passing of the accounts;
- (h) the other grounds set out in the Second Report;
- (i) section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (j) section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (k) rules 1.04, 2.03, 3.02, 30, 37 and 41.06 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (l) such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Second Report and its appendices, including, without limitation, the affidavits sworn in support of the fees and disbursements of the Receiver and its counsel; and
- (b) such further and other material as counsel may submit and this Court may permit.

Date: June 8, 2021

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181 Bay Street, Suite 1800  
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*Lawyers for the Receiver*

**TO: ATTACHED SERVICE LIST**

**PACE SAVINGS & CREDIT UNION LIMITED**

- and -

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

Applicant

Respondents

CV-20-00635946-00CL

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

**Proceedings commenced at Toronto**

**NOTICE OF MOTION  
(returnable June 8, 2021)**

**AIRD & BERLIS LLP**  
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*Lawyers for the Court-appointed Receiver*

**TAB B**

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

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

THE HONOURABLE MADAM	)	FRIDAY, THE 25TH
	)	
JUSTICE GILMORE	)	DAY OF JUNE, 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

**DISTRIBUTION AND DISCHARGE ORDER**

**THIS MOTION**, made by msi Spergel inc. (“**Spergel**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties (collectively, the “**Property**”) of Noble House Development Corporation (“**Noble House**”), 2307400 Ontario Inc. (“**230**”) and 2209326 Ontario Ltd. (“**220**”) and, together with Noble House and 230, the “**Debtor**”), acquired for, or used in relation to a business carried on by the Debtor, for an order, *inter alia*: (i) approving the Second Report of the Receiver dated June 8, 2021 (the “**Second Report**”) and the actions and activities of the Receiver described therein, including, without limitation, approving the Receiver’s Interim Statement of



Receipts and Disbursements appended to the Second Report; (ii) authorizing and directing the Receiver to distribute certain funds without further Order of this Court; (iii) approving the fees and disbursements of the Receiver and those of its counsel, Aird & Berlis LLP, including an accrual for fees and disbursements to be incurred to the completion of these proceedings; (iv) discharging Spergel as the Receiver, effective upon the filing of a certificate by the Receiver certifying that all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver, in substantially the form attached hereto as Schedule “A” (the “**Discharge Certificate**”); and (v) releasing Spergel from any and all liability, as set out in paragraph 6 of this Order, was heard this via videoconference because of the Covid-19 pandemic.

**ON READING** the Second Report and the appendices thereto, including, without limitation, the fee affidavit sworn on behalf of the Receiver (“**Spergel’s Fee Affidavit**”) and the fee affidavit sworn on behalf of the Receiver’s counsel (“**A&B’s Fee Affidavit**” and, together with Spergel’s Fee Affidavit, the “**Fee Affidavits**”), 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,

1. **THIS COURT ORDERS** that the time for service and filing of a notice of motion and motion record is hereby abridged and validated so that this motion is properly returnable today and is hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Second Report and the actions and activities of the Receiver described therein be and are hereby approved, including, without limitation, the Receiver’s Interim Statement of Receipts and Disbursements appended to the Second Report.

3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and those of its counsel, Aird & Berlis LLP, as out in the Fee Affidavits, be and are hereby approved, including the Fee Accrual (as defined in the Second Report).

4. **THIS COURT ORDERS** that, after payment of the fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands as follows:

- (a) \$114,973.82 to the Receiver's lender, Pace Savings & Credit Union Limited ("Pace"), without further Order of this Court, in full satisfaction of all amounts borrowed from Pace by the Receiver (including, without limitation, all interest thereon to and including July 5, 2021);
- (b) \$110,793.92 to Macdonald Sager Mannis LLP in trust, without further Order of this Court, in partial satisfaction of the secured obligations owing by Noble House to the Level 2 Creditors (as defined in the Second Report);
- (c) \$1,621,830.36 to Harrison Pensa LLP in trust, without further order of this Court, in partial satisfaction of the secured obligations owing by 220 and 230 to Pace; and
- (d) the monies remaining in the Receiver's hands after all the foregoing distributions, in accordance with the Court's Order in the Disputed Motion (as defined in the Second Report).

5. **THIS COURT ORDERS** that, upon the Receiver filing the Discharge Certificate, the Receiver shall be discharged as the Receiver of the Debtor, provided however that notwithstanding its discharge herein, Spergel: (a) shall remain the Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) shall

continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of the Receiver.

6. **THIS COURT ORDERS AND DECLARES** that, upon the Receiver filing the Discharge Certificate, Spergel is hereby released and discharged from any and all liability that Spergel now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Spergel while acting in its capacity the Receiver herein, save and except for any gross negligence or wilful misconduct on the part of the Receiver. Without limiting the generality of the foregoing, Spergel is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the part of the Receiver.

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 officers 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.

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**SCHEDULE “A”**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**PACE SAVINGS & CREDIT UNION LIMITED**

Applicant

- and -

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

Respondents

**DISCHARGE CERTIFICATE****RECITALS**

(A) Pursuant to an Order of The Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on February 20, 2020, msi Spergel inc. (“**Spergel**”) was appointed as receiver (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Noble House Development Corporation (“**Noble House**”), 2307400 Ontario Inc. (“**230**”) and 2209326 Ontario Ltd. (“**220**” and, together with Noble House and 230, the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor.

(B) Pursuant to an Order of the Court made on June 25, 2021 (the “**Discharge Order**”), Spergel was discharged as the Receiver to be effective upon the filing by the Receiver with the Court of a certificate confirming that all matters to be attended to in connection with the receivership of the

Debtor have been completed to the satisfaction of the Receiver, provided, however, that notwithstanding its discharge, Spergel: (a) will remain the Receiver for the performance of such incidental duties as may be required to complete the administration of these receivership proceedings; and (b) will continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of the Receiver.

(C) Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Discharge Order.

**THE RECEIVER CERTIFIES** the following:

1. all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of Receiver, other than the performance of such incidental duties as may be required to complete the administration of these receivership proceedings; and
2. this Certificate was filed by the Receiver with the Court on the \_\_\_\_ day of \_\_\_\_\_, 2021.

**MSI SPERGEL INC.**, solely in its capacity as the Court-appointed receiver of the Debtor, and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

**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**

**DISTRIBUTION AND DISCHARGE ORDER**

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*Lawyers for the Receiver*

**TAB C**

Revised: May 11, 2010

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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE	)	WEEKDAY, THE #
JUSTICE	)	DAY OF MONTH, 20YR
	)	

THE HONOURABLE MADAM ) FRIDAY, THE 25TH  
JUSTICE GILMORE ) DAY OF JUNE, 2021

BETWEEN

PLAINTIFF

Plaintiff

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

- and -  
DEFENDANT

Defendant

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

Respondents



## DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~ msi Spergel Inc. ("Spergel"), in its capacity as the Court-appointed Receiver (in such capacity, the "Receiver"), without security, of all the ~~undertaking, property and~~ assets of ~~[DEBTOR]~~ (, ~~undertakings and~~ properties (collectively, the "Property") of Noble House Development Corporation ("Noble House", 2307400 Ontario Inc. ("230") and 2209326 Ontario Ltd. ("220" and, together with Noble House and 230, the "Debtor")), acquired for, or used in relation to a business carried on by the Debtor, for an order, *inter alia*: ~~1. (i) approving the activities of the Receiver as set out in the report~~ Second Report of the Receiver dated [DATE] June 8, 2021 (the "Second Report"); ~~2. and the actions and activities of the Receiver described therein, including, without limitation, approving the Receiver's Interim Statement of Receipts and Disbursements appended to the Second Report; (ii) authorizing and directing the Receiver to distribute certain funds without further Order of this Court; (iii) approving the fees and disbursements of the Receiver and those of its counsel;~~

~~3. approving the distribution of the remaining proceeds available in the estate of the Debtor; and~~

~~4. discharging [RECEIVER'S NAME] as Receiver of the undertaking, property and assets of the Debtor; and~~

~~5. , Aird & Berlis LLP, including an accrual for fees and disbursements to be incurred to the completion of these proceedings; (iv) discharging Spergel as the Receiver, effective upon the filing of a certificate by the Receiver certifying that all matters to be attended~~

to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver, in substantially the form attached hereto as Schedule “A” (the “Discharge Certificate”); and (v) releasing ~~[RECEIVER'S NAME]~~ Spergel from any and all liability, as set out in paragraph 56 of this Order<sup>1</sup>, was heard this day at 330 University Avenue, Toronto, Ontario via videoconference because of the Covid-19 pandemic.

ON READING the Second Report, and the affidavits of the Receiver and its appendices thereto, including, without limitation, the fee affidavit sworn on behalf of the Receiver (“Spergel’s Fee Affidavit”) and the fee affidavit sworn on behalf of the Receiver’s counsel as to fees—(“A&B’s Fee Affidavit” and, together with Spergel’s Fee Affidavit, the “Fee Affidavits”), and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one else appearing for any other person on the service list, although properly served as evidenced by the Affidavit of [NAME] sworn [DATE], filed<sup>2</sup>;

1. **THIS COURT ORDERS** that the time for service and filing of a notice of motion and motion record is hereby abridged and validated so that this motion is properly returnable today and is hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Second Report and the actions and activities of the Receiver, as set out in the Report, described therein be and are hereby approved, including,

<sup>1</sup> ~~If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.~~

<sup>2</sup> ~~This model order assumes that the time for service does not need to be abridged.~~

without limitation, the Receiver's Interim Statement of Receipts and Disbursements appended to the Second Report.

3. ~~2.~~ **THIS COURT ORDERS** that the fees and disbursements of the Receiver and those of its counsel, Aird & Berlis LLP, as ~~set out in the Report and~~ the Fee Affidavits, be and are hereby approved, including the Fee Accrual (as defined in the Second Report).

4. ~~3.~~ **THIS COURT ORDERS** that, after payment of the fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands as follows:

(a) \$114,973.82 to [NAME OF PARTY]<sup>3</sup>, the Receiver's lender, Pace Savings & Credit Union Limited ("Pace"), without further Order of this Court, in full satisfaction of all amounts borrowed from Pace by the Receiver (including, without limitation, all interest thereon to and including July 5, 2021);

(b) \$110,793.92 to Macdonald Sager Mannis LLP in trust, without further Order of this Court, in partial satisfaction of the secured obligations owing by Noble House to the Level 2 Creditors (as defined in the Second Report);

(c) \$1,621,830.36 to Harrison Pensa LLP in trust, without further order of this Court, in partial satisfaction of the secured obligations owing by 220 and 230 to Pace; and

<sup>3</sup> ~~This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.~~

(d) the monies remaining in the Receiver's hands after all the foregoing distributions, in accordance with the Court's Order in the Disputed Motion (as defined in the Second Report).

5. ~~4.~~ **THIS COURT ORDERS** that ~~upon payment of the amounts set out in paragraph 3 hereof [and, upon the Receiver filing a certificate certifying that it has completed the other activities described in the Report]~~ the Discharge Certificate, the Receiver shall be discharged as the Receiver ~~of the undertaking, property and assets~~ of the Debtor, provided however that notwithstanding its discharge herein, Spergel: (a) ~~the Receiver~~ shall remain the Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) ~~the Receiver~~ shall continue to have the benefit of the provisions of all Orders made in ~~this proceeding~~ these proceedings, including all approvals, protections and stays of proceedings ~~in favour of [RECEIVER'S NAME]~~ in its capacity as favour of the Receiver.

6. ~~5.~~ **THIS COURT ORDERS AND DECLARES** that ~~[RECEIVER'S NAME]~~, upon the Receiver filing the Discharge Certificate, Spergel is hereby released and discharged from any and all liability that ~~[RECEIVER'S NAME] Spergel~~ now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of ~~[RECEIVER'S NAME] Spergel~~ while acting in its capacity ~~as the~~ the Receiver herein, save and except for any gross negligence or wilful misconduct on the ~~Receiver's~~ part of the Receiver. Without limiting the generality of the foregoing, ~~[RECEIVER'S NAME] Spergel~~ is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the ~~Receiver's~~ part of the Receiver.<sup>4</sup>

<sup>4</sup> The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have

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 officers 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.

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~~hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.~~

SCHEDULE "A"Court File No. CV-20-00635946-00CLONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LISTPACE SAVINGS & CREDIT UNION LIMITEDApplicant- and -NOBLE HOUSE DEVELOPMENT CORPORATION,  
2307400 ONTARIO INC. and 2209326 ONTARIO LTD.RespondentsDISCHARGE CERTIFICATERECITALS

(A) Pursuant to an Order of The Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on February 20, 2020, msi Spergel inc. ("**Spergel**") was appointed as receiver (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Noble House Development Corporation ("**Noble House**"), 2307400 Ontario Inc. ("**230**") and 2209326 Ontario Ltd. ("**220**") and, together with Noble House and 230, the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor.

(B) Pursuant to an Order of the Court made on June 25, 2021 (the "**Discharge Order**"), Spergel was discharged as the Receiver to be effective upon the filing by the Receiver with the Court of a certificate confirming that all matters to be attended to in connection with the

receivership of the Debtor have been completed to the satisfaction of the Receiver, provided, however, that notwithstanding its discharge, Spergel: (a) will remain the Receiver for the performance of such incidental duties as may be required to complete the administration of these receivership proceedings; and (b) will continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of the Receiver.

(C) Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Discharge Order.

**THE RECEIVER CERTIFIES** the following:

1. all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of Receiver, other than the performance of such incidental duties as may be required to complete the administration of these receivership proceedings; and

2. this Certificate was filed by the Receiver with the Court on the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

MSI SPERGEL INC., solely in its capacity as the Court-appointed receiver of the Debtor, and not in its personal capacity

Per:

Name:

Title:

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

DISTRIBUTION AND DISCHARGE 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



Document comparison by Workshare Compare on June 8, 2021 10:04:51 AM

Input:	
Document 1 ID	iManage://wsc.airdberlis.com/cm/43698054/1
Description	#43698054v1 <wsc.airdberlis.com> Model Discharge Order
Document 2 ID	iManage://wsc.airdberlis.com/cm/43697675/1
Description	#43697675v1 <wsc.airdberlis.com> Discharge Order (Noble House)
Rendering set	Standard

Legend:	
Insertion	
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Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
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Moved cell	
Split/Merged cell	
Padding cell	
Statistics:	

	Count
Insertions	138
Deletions	120
Moved from	2
Moved to	2
Style changes	0
Format changes	0
Total changes	262

**TAB D**

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

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

**JUNE 8, 2021**

## **APPENDICES**

1. IR Endorsement
2. Receivership Order
3. Sale Agreement
4. AVO
5. Receiver's Certificate certifying closing of the Transaction
6. First Report (original, without appendices)
7. Supplement to First Report (without appendices)
8. Ancillary Order
9. Endorsement dated May 25, 2021
10. Communications and the Receiver's Spreadsheet
11. Email exchange with counsel for Dael Thermal Group Inc. re construction lien
12. Letter from counsel to Andrew Turner
13. CRA claim re 220 Ltd.
14. CRA claim re 230 Inc.
15. Fee affidavit of Receiver
16. Fee affidavit of counsel to the Receiver
17. Interim Statement of Receipts and Disbursements

## **APPOINTMENT AND BACKGROUND**

1. This report (the "**Second 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.**" and, together with Noble House and 230 Inc., the "**Companies**").
2. The Receiver understands that Ray Jarvis is the party who most recently managed the Companies, and that the Companies formerly operated a business known as Huntsville Heated Mini Storage from real property they owned at 3 Crescent Road, in the Town of Huntsville, Ontario (the "**Crescent Road Property**").
3. 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 in this regard, 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 Pace Savings & Credit Union Limited (the "**Applicant Creditor**").
4. 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.

5. 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**").
6. Spergel, in its capacities as Interim Receiver and Receiver, retained Aird & Berlis LLP as its independent legal counsel.
7. On January 11, 2021, the Receiver obtained an Approval and Vesting Order from The Honourable Mr. Justice Cavanagh of the Court (the "**AVO**"), which, in substance: (i) approved the sale transaction of the Crescent Road Property (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Shaffiq Dar in trust for a corporation to be named (which was confirmed as F.P.A.D. Corporation, the "**Purchaser**") dated November 10, 2020 (as amended, the "**Sale Agreement**"); and (ii) vested the Purchased Assets (as defined in the Sale Agreement) to the Purchaser on closing of the Transaction.
8. The Transaction closed on February 12, 2021. Attached hereto as **Appendices "3," "4" and "5,"** respectively, are copies of the Sale Agreement, the AVO and the Receiver's corresponding certificate confirming the closing of the Transaction.
9. Attached hereto as **Appendices "6" and "7,"** respectively, are copies of the Receiver's First Report to Court dated December 21, 2020 and the Supplement thereto dated January 7, 2021 (collectively, the "**First Report**"), without appendices. The First Report was filed by the Receiver in support of the AVO and in support of an Ancillary Order that was also granted on January 11, 2021 (the "**Ancillary Order**"). Attached hereto as **Appendix "8"** is a copy of the Ancillary Order.



## **PURPOSE OF THIS SECOND REPORT AND DISCLAIMER**

10. The purpose of this Second Report is to advise the Court as to the steps taken by the Receiver in these proceedings since the filing of the First Report, and to seek an Order from the Court:

- a) approving this Second Report and the actions of the Receiver described herein, including, without limitation, approving the Receiver's Proposed Interim Statement of Receipts and Disbursements as at May 28, 2021 (the "R&D");
- b) approving the fees and disbursements of the Receiver and its independent legal counsel, including an accrual for fees and disbursements to be incurred by the Receiver and its counsel to the completion of these proceedings;
- c) authorizing and directing the Receiver to distribute certain funds, as described in this Second Report; and
- d) effective upon the filing of a certificate by the Receiver certifying that all outstanding matters to be attended to in connection with the receivership of the Companies have been completed to the satisfaction of the Receiver, discharging Spergel as the Receiver and releasing Spergel from any and all liability that Spergel has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Spergel while acting in its capacities as the Interim Receiver and the Receiver.

### **Disclaimer**

11. 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



Second Report for any other purpose than intended.

12. In preparing this Second 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.

13. All references to dollars in this Second Report are in Canadian currency unless otherwise noted.

### **ACTIONS OF THE RECEIVER**

14. Since the filing of the First Report, the Receiver has dealt with several issues, including but not limited to the following:

- a) dealing with on-going property management issues prior to the closing of the Transaction, including but not limited to lawn maintenance, snow removal, furnace and heating maintenance and elevator maintenance;
- b) in consultation with the Receiver's counsel, working with the Purchaser and its counsel to close the Transaction;
- c) providing the Abandoned Records (as defined in the Ancillary Order) to Lloyds Underwriters and 3303128 Canada Inc. t/a Alternative Risk Services (collectively, "**Lloyds**"), in accordance with the negotiated arrangement reached between the Receiver and Lloyds in respect of the Abandoned Records that is memorialized in the Ancillary Order; and

- d) engaging in discussions with various stakeholders, including, most notably, in regards to their potential entitlement to monetary distributions from the Receiver.

## **DISTRIBUTION-RELATED MATTERS**

15. The Receiver understands that the Crescent Road Property was originally developed as a condominium project, with two physical levels. Prior to the closing of the Transaction, the Receiver understands that:

- a) 230 Inc. and 220 Ltd. were 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 was subject to a mortgage in favour of the Applicant Creditor; and
- b) Noble House was the sole registered owner of Unit 1, Level 2, Muskoka Standard Condominium Plan No. 80 and its appurtenant common interest, which unit was subject to a mortgage in favour of Pasquale Luongo, Giuseppe Luongo, Bruno Rositano and Cristina Rositano (the “**Level 2 Creditors**”). The Applicant Creditor does not hold a mortgage in respect of this unit, but holds a general security agreement in respect of Noble House’s property generally.

16. The Receiver has obtained independent legal opinions from its counsel confirming the validity and enforceability of the security of both the Applicant Creditor and the Level 2 Creditors, subject in both cases to the usual assumptions and qualifications in opinions of such nature.

17. Pursuant to the Ancillary Order, the Transaction's purchase price was sealed until closing of the Transaction or further Order of the Court. Given that the Transaction has closed and that no further Order of the Court has been made in this regard, the Receiver can confirm publicly that the Transaction's purchase price was \$2.85 million, being significantly less than the secured amounts owing to the Applicant Creditor (approximately \$5.5 million as of January 30, 2020, plus accruing interest and enforcement costs thereon, as sworn in the Applicant Creditor's application in February 2020) and to the Level 2 Creditors (approximately \$469,000 as of October 31, 2020, plus accruing interest and enforcement costs thereon, as sworn in an exhibit to an affidavit of one of the Level 2 Creditors in January 2021).
18. In light of the valid and enforceable security of both the Applicant Creditor and the Level 2 Creditors, there will be a significant shortfall owing to these stakeholders in the aggregate. It therefore becomes necessary for distribution purposes to allocate the Transaction's purchase price between, on the one hand, the physical units over which the Applicant Creditor had a first mortgage (i.e., the 14 units on the first level), and, on the other hand, the physical unit over which the Level 2 Creditors had a first mortgage (i.e., the unit on the second level).
19. Prior to finalizing the Sale Agreement, the Receiver's listing agent, Lennard Commercial Real Estate, asked the Purchaser to allocate the Transaction's purchase price amongst the 15 units. The Receiver understands from Lennard that the Purchaser allocated such purchase price as follows (as set out in the Sale Agreement), on a square footage basis:
- a) Units 1 through 14, Level 1 – \$2,705,028.23; and
  - b) Unit 1, Level 2 – \$144,971.77.



20. The Receiver understands that the Level 2 Creditors are not in agreement with using square footage as the basis upon which to allocate the Transaction's purchase price for distribution purposes between the Applicant Creditor and the Level 2 Creditors, and that the Applicant Creditor and the Level 2 Creditors have been unable to reach a consensus as to what allocation method should be used for distribution purposes.

21. On May 25, 2021, counsel for the Receiver, counsel for the Applicant Creditor and counsel for the Level 2 Creditors attended at a case conference before The Honourable Mr. Justice Dunphy. Attached hereto as **Appendix "9"** is a copy of His Honour's resulting endorsement, which, in substance, directs the Receiver to bring the distribution and discharge motion referenced at paragraph 10 of this Second Report, with the allocation/distribution matter addressed as follows:

- a) the Receiver is to seek an Order to distribute, without further Order of the Court, whatever funds are not in dispute to the Applicant Creditor and the Level 2 Creditors, after accounting for the fees and disbursements of the Receiver and its counsel, including the Fee Accrual (as defined below), and the Receiver's borrowings (collectively, the "**Undisputed Funds**"); and
- b) the remaining funds that are in dispute between the Applicant Creditor and the Level 2 Creditors (the "**Disputed Funds**") are to be determined in a separate motion between these two stakeholder groups without the involvement of the Receiver (the "**Disputed Motion**"), prior to which the Receiver is to seek an Order from the Court directing the Receiver to distribute the Disputed Funds in accordance with the Court's eventual Order in the Disputed Motion.

22. Following the issuance of His Honour's endorsement and receiving certain related information from the stakeholders, the Receiver calculated what it understood the Undisputed Funds and the Disputed Funds to be, and the

Receiver's counsel asked counsel for the Applicant Creditor and counsel to the Level 2 Creditors to confirm their agreement with the Receiver's calculations. Based on the responses received as of the time of finalizing this Second Report, the Receiver understands that there is still some uncertainty between the Applicant Creditor and the Level 2 Creditors as to the exact quantum that remains in dispute between them, but that such dispute is no greater than \$379,511.08. Attached collectively as **Appendix "10"** are copies of communications in this regard, including additional lines to the Receiver's R&D (otherwise referenced below for approval) reflecting the proposed distributions and how the Receiver arrives at the \$379,511.08 figure (the "**Receiver's Spreadsheet**"). The Receiver therefore recommends that it be authorized and directed to make the following distributions, as set out in the Receiver's Spreadsheet:

- a) \$101,446.35, being the fees and disbursements of the Receiver and its counsel, inclusive of the Fee Accrual, for which Court approval is being sought on this motion (as addressed later in this Second Report);
- b) \$114,973.82, being the amount owing to the Receiver's lender under priority financing authorized by the Receivership Order for principal (\$110,000) and interest to the proposed distribution date of July 5, 2021 (\$4,973.82, assuming that the Receiver's motion is granted on June 25, 2021, and that the ten-day appeal period clears);
- c) \$110,773.92, being the Level 2 Creditors' portion of the Undisputed Funds;
- d) \$1,621,830.36, being the Applicant Creditor's portion of the Undisputed Funds; and
- e) \$379,511.08, being the Disputed Funds, in accordance with the Court's ruling in the Disputed Motion.



23. In light of the aggregate shortfall to the Applicant Creditor and the Level 2

Creditors, there are not anticipated to be any proceeds available to satisfy the other stakeholders that had encumbrances registered on title to some or all of the units at the Crescent Road Property prior to the closing of the Transaction.

These other stakeholders and their corresponding encumbrances are referenced in the schedules to the AVO, and are summarized below as follows:

- a) Dael Thermal Group Inc. had registered a \$25,000 construction lien on title to all units. On May 19, 2021, counsel for this stakeholder confirmed that it would not be asserting priority over the aforementioned mortgages, and would not be participating in the motion. Attached hereto as **Appendix "11"** is a copy of this written confirmation;
- b) Catherine Elizabeth Wallace and Scott William Wallace had registered a \$472,097 mortgage on title to some of the units, which mortgage was postponed on title to the Applicant Creditor's real property security in 2017, which postponement instrument is confirmed in the schedules to the AVO;
- c) Canadian Western Trust Company had registered a \$450,000 mortgage on title to some of the units, which mortgage was registered after the Applicant Creditor's real property security, as listed in the schedules to the AVO;
- d) Andrew Turner had registered a \$375,000 mortgage on title to one of the units. On April 29, 2021, counsel for this stakeholder confirmed that a payout had previously occurred in 2017 and that this stakeholder no longer had an interest in the unit. Attached hereto as **Appendix "12"** is a copy of this written confirmation; and

- e) BDO Canada Limited had registered a caution on title to some of the units, which caution was registered after all the aforementioned encumbrances (other than the construction lien), as confirmed in the schedules to the AVO.

24. Similarly, in light of the aggregate shortfall to the Applicant Creditor and the Level 2 Creditors, there are not anticipated to be any proceeds available to satisfy the claims of Canada Revenue Agency ("**CRA**"). Attached hereto as **Appendices "13" and "14,"** respectively, are CRA's claims filed with respect to 220 Ltd. and 230 Inc.
25. The claim filed with respect to HST owing by 220 Ltd. is in the amount of \$1,737.66, of which \$1,714.43 is purportedly a deemed trust claim in favour of CRA. In reviewing this claim as it relates to the mortgage security of the Applicant Creditor, the Receiver has determined that this amount is not in fact a deemed trust claim with priority to the Applicant Creditor's secured position vis-à-vis 220 Ltd., as these HST arrears relate to a period after the Applicant Creditor's mortgage security was placed on 220 Ltd.'s real property.
26. The claim filed with respect to HST owing by 230 Inc. is in the amount of \$51,676.35; however, no deemed trust was claimed, and the Receiver has confirmed with CRA that no deemed trust is being claimed.
27. There have been no claims filed by CRA with respect to Noble House. The Receiver has confirmed with CRA that there is in fact nothing owing by Noble House to CRA.

### **PROFESSIONAL FEES, DISBURSEMENTS AND R&D**

28. The fees and disbursements of the Receiver and its counsel to and including December 15, 2020 were previously approved by the Court in the Ancillary Order.

29. Attached hereto as **Appendix "15"** is the Affidavit of Philip Gennis, sworn June 7, 2021, which incorporates by reference a copy of the Receiver's time dockets pertaining to the receivership, for the period from December 16, 2020 to and including May 28, 2021 in the amount of \$31,549.32 inclusive of disbursements and HST. This represents a total of 89.45 hours at an average rate of \$352.70 per hour.

30. Attached hereto as **Appendix "16"** is the Affidavit of Jonathan Yantzi, sworn June 7, 2021, which incorporates by reference a copy of the time dockets of counsel to the Receiver, for the period from December 16, 2020 to and including May 28, 2021 in the amount of \$58,356.92, inclusive of disbursements and HST.

31. The Receiver has reviewed the accounts of its counsel and is 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.

32. The Receiver and its counsel also seek approval for a collective fee accrual to the conclusion of the receivership in the amount of \$18,475 (inclusive of disbursements and HST) (collectively, the "**Fee Accrual**"), which is calculated and contingent on the basis that there is no opposition to the Receiver's motion.

33. Attached hereto as **Appendix "17"** is a copy of the Receiver's R&D.

## **PROPOSED DISCHARGE**

34. Other than the matters identified in this Second Report, the within receivership is substantively complete. Accordingly, subsequent to the date of this Second



Report, and prior to the Receiver's discharge, the Receiver proposes to attend to the following:

- a) satisfying all Court-ordered charges and making the distributions identified above;
- b) other residual and/or administrative matters in connection with Spergel's appointment as the Receiver; and
- c) filing the Receiver's certificate of discharge.

## **RECOMMENDATIONS**

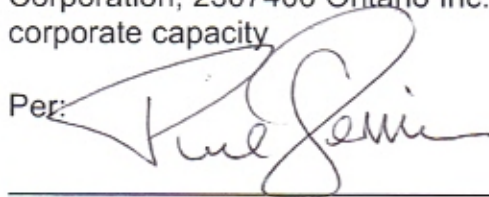
35. The Receiver respectfully requests that this Honourable Court grant the relief sought in this Second Report.

Dated at Toronto, this 8th day of June, 2021.

**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  
Licensed Insolvency Trustee

**TAB 1**

**Anissimova, Alsou (MAG)**

**From:** Tim Hogan <thogan@harrisonpensa.com>  
**Sent:** Thursday, February 13, 2020 11:30 AM  
**To:** JUS-G-MAG-CSD-Toronto-SCJ Commercial List  
**Subject:** Fwd: Pace Noble Endorsement

CAUTION -- EXTERNAL E-MAIL - Do not click links or open attachments unless you recognize the sender.

Tim Hogan | HARRISON PENSA LLP | 450 Talbot St., London, Ontario N6A 5J6 | tel 519-661-6743 | fax 519-667-3362 | thogan@harrisonpensa.com  
 Assistant | Cathy Coleiro | tel 519-850-5568 | ccoleiro@harrisonpensa.com  
 This e-mail may contain information that is privileged or confidential. If you are not the intended recipient, please delete the e-mail and any attachments and notify us immediately.

**From:** Tim Hogan <thogan@harrisonpensa.com>  
**Sent:** Thursday, February 13, 2020 10:56:00 AM  
**To:** Jay Herbert <jay@fallslaw.ca>  
**Cc:** Sanj Mitra (smitra@airdberlis.com) <smitra@airdberlis.com>; Philip Gennis - Spergel (pgennis@spergel.ca) <pgennis@spergel.ca>; Manchanda Mukul - msi Spergel (mmanchanda@spergel.ca) <mmanchanda@spergel.ca>; Paul Waters (pwaters@pacecu.com) <pwaters@pacecu.com>  
**Subject:** Pace Noble Endorsement

This court orders that *or "IR"* msi Spergel inc. is appointed interim receiver pursuant to section 47(1) of the BIA (the "Interim Receiver") for the limited purpose and with the powers and authorization but not the obligation to:

1. Inspect the Real Property subject to this application, with full access to be provided by the Respondents to the Interim Receiver.
2. To contact all utility providers To the real property to determine the status of utility accounts and to confirm that service of utilities are not being terminated to the real property. All utility providers are directed to respond to the IR and provide all required information to the interim receiver with respect to such accounts
3. 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 IR's powers and duties
4. To contact all insurance providers to the real property and to the respondents to determine the status of insurance accounts and to confirm that any insurance is not being terminated. . Such insurance providers are directed to respond to the IR and provide all required information to the interim receiver with respect to such accounts
5. In the event that any payments are required to be made to any utility provider or insurer, that same will be funded by the applicant and added to the applicants indebtedness, as secured by the applicants security

*any utility or insurance accounts are in arrears and*



5. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the IR except with the written consent of the Receiver or with leave of this Court

7. All persons shall forthwith advise the IR 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 Real Property, 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 IR or permit the IR to make, retain and take away copies thereof and grant to the IR unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the IR due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure

8. The IR 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.

9. The IR and counsel to the IR 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 before a Judge of the Commercial List.

10. This endorsement shall be reviewed on the return of this Application on February 20, 2020.

Hanley J.

# TAB 2

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

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

THE HONOURABLE MR.

)

THURSDAY, THE 20<sup>th</sup>

JUSTICE HAINEY

)

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 Spergel 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](http://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.

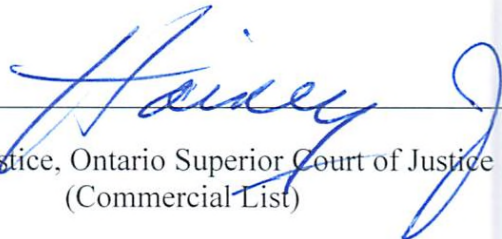
30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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 À 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

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

# TAB 3



**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 20<sup>th</sup> 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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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;

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(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.

**DATED** as of the date first mentioned above.

By:                       
DocuSigned by:  
Shaffiq Dar  
9B967888A4054A8...  
shaffiq Dar  
Name:                       
Title:                     

I have authority to bind the Corporation.

The Vendor hereby accepts the foregoing offer to purchase and its terms and agrees with the Purchaser to duly complete the transaction contemplated thereunder.

**DATED** this 26<sup>th</sup> day of November, 2020.

**MSI SPERGER INC.**, 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

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 20<sup>th</sup>

DAY OF FEBRUARY, 2020



**PACE SAVINGS & CREDIT UNION LIMITED**

Applicant

- and -

**NOBLE HOUSE DEVELOPMENT CORPORATION, 2307-400 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 Spergel 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

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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

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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;

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- (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

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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

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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](http://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.

Judge, Ontario Superior Court of Justice  
(Commercial List)

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

FEB 20 2020

PER / FAN:

**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)

- 2 -

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)

- 3 -

**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



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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

[REDACTED] DAY, THE [REDACTED]

DAY OF [REDACTED], 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.

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**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 Spergel 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 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 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](mailto:smitra@airdberlis.com)

**Jeremy Nemers (LSO # 66410Q)**  
Tel: (416) 865-7724  
Fax: (416) 863-1515  
Email: [jnemers@airdberlis.com](mailto: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 127

SD

**IRREVOCABILITY:** This Offer to Amend the Agreement shall be irrevocable by Buyer (Seller/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.** PL SD

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)

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

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.  
(a.m./p.m.)

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

# ACKNOWLEDGEMENT

<p>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.</p> <p><u>Shaffiq Dar</u> <u>Nov. 26, 2020</u> (Seller) (Date)</p> <p>(Seller) (Date)</p> <p>Address for Service _____</p> <p>(Tel. No.) _____</p> <p>Seller's Lawyer _____</p> <p>Address _____</p> <p>Email _____</p> <p>(Tel. No.) _____ (Fax. No.) _____</p>	<p>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.</p> <p><u>Shaffiq Dar</u> <u>11/18/2020   8:49 AM EST</u> (Buyer) (Date)</p> <p>(Buyer) (Date)</p> <p>Address for Service _____</p> <p>(Tel. No.) _____</p> <p>Buyer's Lawyer _____</p> <p>Address _____</p> <p>Email _____</p> <p>(Tel. No.) _____ (Fax. No.) _____</p>
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## **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.

# TAB 4

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

**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.

Peter Cavanagh Digitally signed by Peter  
Cavanagh  
Date: 2021.01.11 14:23:00 -05'00'

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**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**

<b>Reg. No.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Amount</b>	<b>Parties From</b>	<b>Parties To</b>
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**

<b>Reg. No.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Amount</b>	<b>Parties From</b>	<b>Parties To</b>
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**

<b>Reg. No.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Amount</b>	<b>Parties From</b>	<b>Parties To</b>
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**

<b>Reg. No.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Parties From</b>	<b>Parties To</b>
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**

<b>Reg. No.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Parties From</b>	<b>Parties To</b>
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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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)**

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Tel : (416) 865-7724

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Email : [jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)

*Lawyers for the Receiver*

# TAB 5

**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 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 6:30 pm [TIME] on Feb 22, 2021 [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: PHILIP H. GENNIS

Title: LICENSED INSOLVENCY TRUSTEE

# TAB 6

**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

2<sup>nd</sup> 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 9<sup>th</sup> 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.

## **FEES AND DISBURSEMENTS OF THE INTERIM RECEIVER, THE RECEIVER AND THEIR COUNSEL**

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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 24<sup>th</sup> 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

# TAB 7

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

**SUPPLEMENT TO THE 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.**

**JANUARY 7, 2021**

## **APPENDICES**

1. Parcel Register for Unit 1, Level 1 MSCC 80
2. Parcel Register for Unit 2, Level 1 MSCC 80
3. Parcel Register for Unit 3, Level 1 MSCC 80
4. Parcel Register for Unit 4, Level 1 MSCC 80
5. Parcel Register for Unit 5, Level 1 MSCC 80
6. Parcel Register for Unit 6, Level 1 MSCC 80
7. Parcel Register for Unit 7, Level 1 MSCC 80
8. Parcel Register for Unit 8, Level 1 MSCC 80
9. Parcel Register for Unit 9, Level 1 MSCC 80
10. Parcel Register for Unit 10, Level 1 MSCC 80
11. Parcel Register for Unit 11, Level 1 MSCC 80
12. Parcel Register for Unit 12, Level 1 MSCC 80
13. Parcel Register for Unit 13, Level 1 MSCC 80
14. Parcel Register for Unit 14, Level 1 MSCC 80

## **PURPOSE OF SUPPLEMENTARY REPORT**

1. This Supplement to the First Report (the “**Supplementary 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**”).
2. The Receiver has filed this Supplementary Report to provide copies of parcel abstracts of certain properties subject to the proposed Sale Agreement and update the Court with steps taken with respect to John Jarvis following review of his Affidavit of John Jarvis served on January 6, 2021 (“**Jarvis Affidavit**”).

## **PARCEL REGISTERS FOR UNITS 1 TO 14, LEVEL 1, MSCC 80**

3. Attached hereto as **Appendices “1” through “14”** respectively, to this Supplementary Report are the Parcel Registers for Units 1 through 14, Level 1, Muskoka Standard Condominium Corporation No. 80.

## **RESPONSE TO AFFIDAVIT OF JOHN JARVIS**

4. The Jarvis Affidavit suggested that he was unable to review the information in the Confidential Appendices contained in the Receiver’s First Report. At no time prior to the receipt of the Jarvis Affidavit had there been a request from John Jarvis or his counsel for the Confidential Appendices in the Report of the Receiver.

5. Upon review of the Jarvis Affidavit, the Receiver's Counsel sent an email to Counsel for John Jarvis confirming that there had been no request made for the information in the Confidential Appendices and that it would be released upon execution of a confidentiality agreement by Mr. Jarvis as is customary in these types of proceedings
6. Mr. Jarvis provided the Receiver with a signed confidentiality agreement on January 7, 2021 and was provided with the Confidential Appendices on the same day.

### **ABANDONED RECORDS**

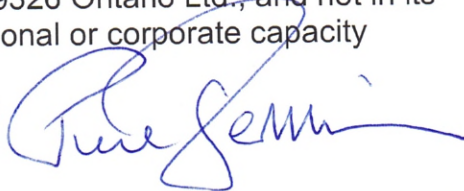
7. The Receiver has had discussions with counsel for Lloyds Underwriters who are prepared to take custody of the Abandoned Records. The ancillary Order will be modified to reflect these arrangements.

All of which is respectfully submitted.

Dated at Toronto, this 7<sup>th</sup> day of January, 2021

**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

# TAB 8

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

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

THE HONOURABLE MR.	)	MONDAY, THE 11 <sup>TH</sup>
	)	
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

**ANCILLARY ORDER**

**THIS MOTION**, msi Spergel inc. (“**Spergel**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties (collectively, the “**Property**”) of Noble House Development Corporation (“**Noble House**”), 2307400 Ontario Inc. (“**230**”) and 2209326 Ontario Ltd. (“**220**” and, together with Noble House and 230, the “**Debtor**”), acquired for, or used in relation to a business carried on by the Debtor, for an order, *inter alia*: (i) approving the First Report of the Receiver dated December 21, 2020 and the supplement thereto dated January 7, 2021 (collectively, the “**First Report**”) and the actions of the Receiver described therein, including, without limitation, the



statement of receipts and disbursements appended thereto; (ii) sealing the Confidential Appendices to the First Report (the “**Confidential Appendices**”) until closing of the Transaction (as defined in the First Report) or further Order of the Court; (iii) approving certain relief in respect of the Abandoned Records (as defined below); (iv) approving certain relief in respect of the Additional Muskoka Properties (as defined in the First Report); and (v) approving the fees and disbursements of the Receiver and its counsel, was heard this day via teleconference due to the Covid-19 crisis.

**ON READING** the First Report and appendices thereto (including, without limitation, the fee affidavits appended thereto (the “**Fee Affidavits**”)), 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** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the First Report and the activities of the Receiver described therein be and are hereby approved, including, without limitation, the statement of receipts and disbursements appended thereto.
3. **THIS COURT ORDERS** that the Confidential Appendices be and are hereby sealed until closing of the Transaction or further Order of the Court.

4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to turn over the books and records located in the spaces denoted as “Abandoned Records” in Schedule “C” hereto (collectively, the “**Abandoned Records**”) to Lloyds Underwriters and 3303128 Canada Inc. T/A Alternative Risk Services (collectively, “**Lloyds**”).
5. **THIS COURT ORDERS** that Lloyds shall remove the Abandoned Records at its own expense prior to January 25, 2021, and the Receiver is directed to provide reasonable access for up eight hours to Lloyds to allow the removal of the Abandoned Records.
6. **THIS COURT ORDERS** that Lloyds shall be responsible for all damage, if any, occasioned to the Crescent Road Property (as defined in the First Report) caused by Lloyds from the removal of the Abandoned Records and shall compensate the Receiver for same.
7. **THIS COURT ORDERS AND DIRECTS** the Land Registrar of the Muskoka Land Registry Office (No. 35) to amend the parcel register for the lands described in Schedule “A” hereto by deleting the instrument registered as Instrument No. MT227144.
8. **THIS COURT ORDERS AND DIRECTS** the Land Registrar of the Parry Sound Land Registry Office (No. 42) to amend the parcel registers for the lands described in Schedule “B” hereto by deleting the instrument registered as Instrument No. GB129757.
9. **THIS COURT ORDERS** that, for the purpose only of paragraphs 9 and 10 of the Order (Appointing Receiver) made in this proceeding by The Honourable Mr. Justice Hailey on February 20, 2020, the term “Property” shall be deemed from the date hereof to exclude the lands described in Schedule “A” and Schedule “B” hereto.

10. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as set out in the Fee Affidavits, be and are hereby approved.

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

12. **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.

Peter Cavanagh

Digitally signed by Peter  
Cavanagh  
Date: 2021.01.11 14:25:58 -05'00'

**SCHEDULE “A”**

## 1. PIN 48114-0337 (LT)

PT LT 14 N OF RIVER WMR, 15 N OF RIVER WMR,, 16 N OF RIVER WMR PL 6  
BRACEBRIDGE AS IN DM322903 (SECONDLY) & PT 1 & 3, 35R17718;  
BRACEBRIDGE ; THE DISTRICT MUNICIPALITY OF MUSKOKA

**SCHEDULE “B”**

1. PIN 52139-0177 (LT)

PT LT 6 W/S ONTARIO ST, 7 W/S ONTARIO ST PL 26 AS IN RO150252; S/T  
RO92804; BURK’S FALLS

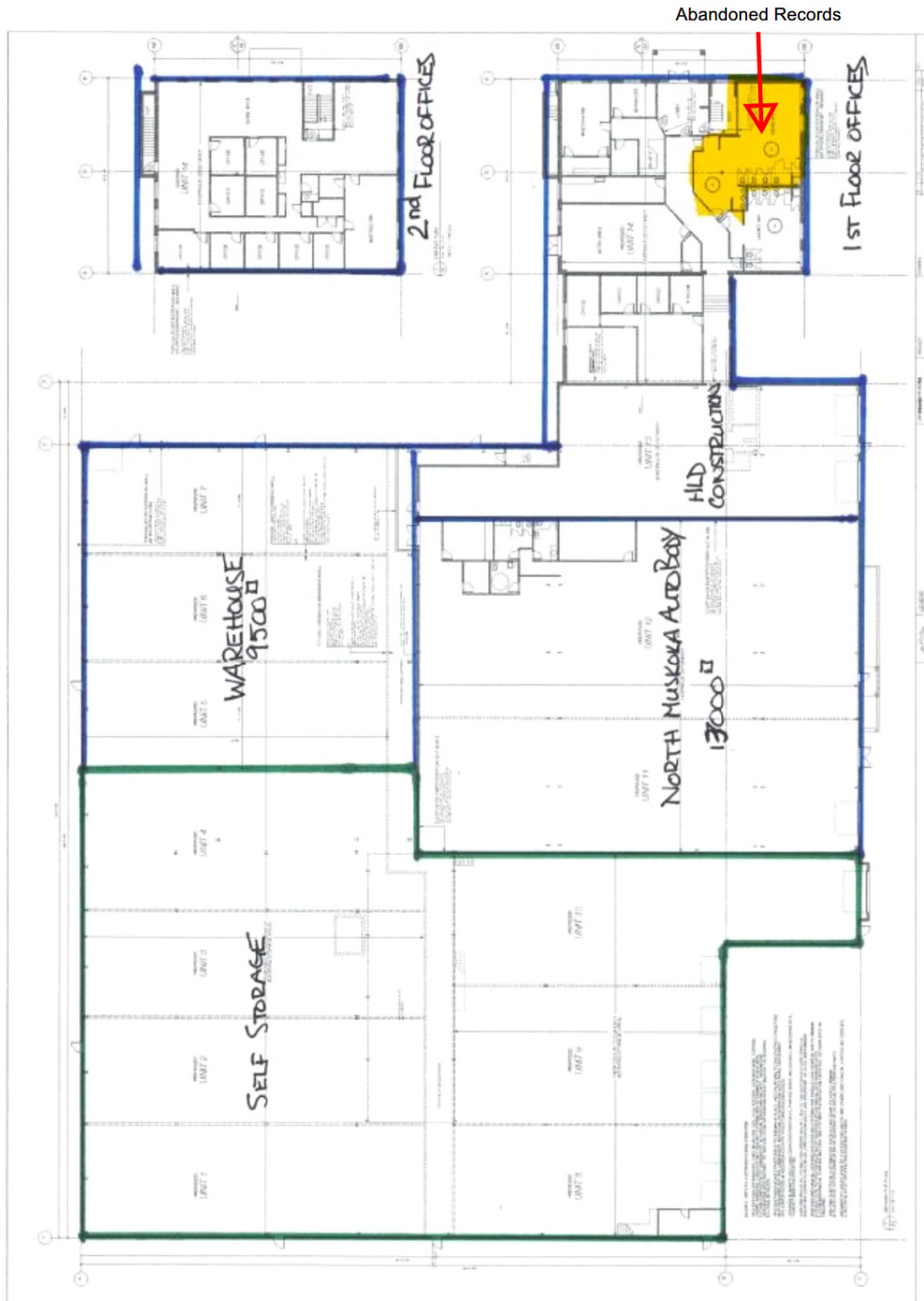
2. PIN 52142-0217 (LT)

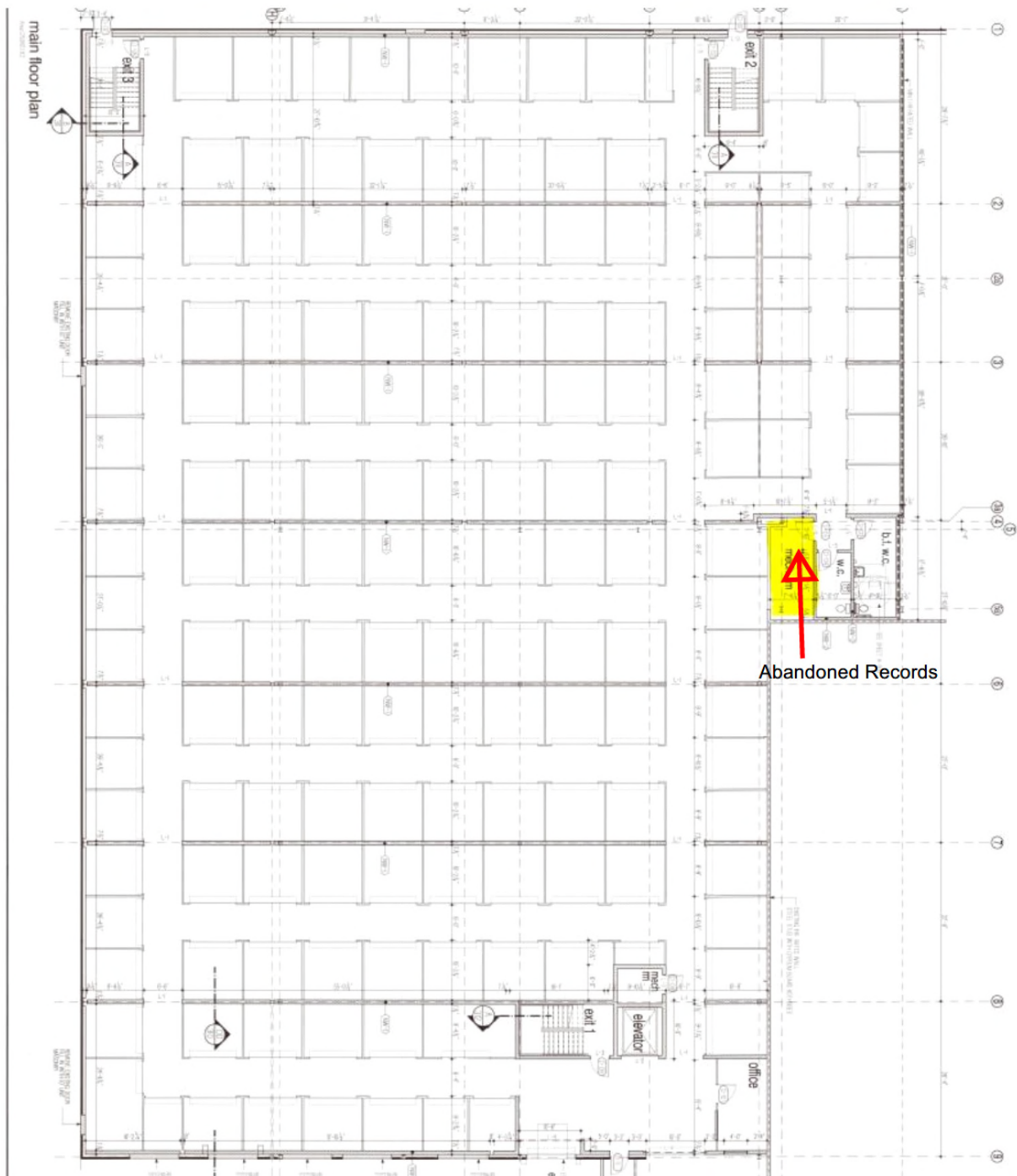
LT 48 RCP 315; ARMOUR

3. PIN 52139-0183 (LT)

PT LT 10 W/S ONTARIO ST PL 26 AS IN RO182431; BURK’S FALLS

SCHEDULE "C"





**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**

**ANCILLARY 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](mailto:smitra@airdberlis.com)

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

*Lawyers for the Receiver*



# TAB 9

**COURT FILE NO.:** CV-20-635946-00CL  
**DATE:** [YYYYMMDD]

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

**RE:** PACE SAVINGS & CREDIT LIMITED, Applicant

**AND:**

NOBLE HOUSE DEVELOPMENT, Respondent

**BEFORE:** S.F. Dunphy J.

**COUNSEL:** *Tim Hogan*, for the Applicant

*Sanj Mitra*, for the for Receiver MSI Spergel Inc

*Zafir Khan*, for the Responding Creditors Luongo et al

No one appearing for Noble House Development

**HEARD at Toronto:** May 25, 2021

**CASE CONFERENCE ENDORSEMENT**

[1] There are two motions that need scheduling in order to wrap up this matter and close out the receivership. I refer to them below as Motion #1 and Motion #2.

[2] MSI Spergel Inc. are court-appointed receiver of the defendant Noble House on the application of Pace. The assets of the debtor were a number of units in a condominium building. Mr. Khan represents a group of creditors of the debtor (Luongo et al.) who had a first mortgage on one of the units over which the Receiver was appointed. The Receiver has now sold all of the units in a sale that has closed with net proceeds in the range of approx. \$3 million. There will be creditor shortfalls here – Pace is owed approximately \$5.6 million and the Luongo group are owed approximately \$370,000.

[3] Motion #1 to be scheduled is that of the Receiver. The Receiver wants to issue a final report, obtain approval of its receipts and disbursements, approval of its professional fees (Receiver and counsel) and to obtain an order approving a final distribution of the sales proceeds. That motion will need a final Receiver's report plus a report from counsel confirming the security position of the parties to whom the distribution is to be made. It

will also need consultation with the two secured creditors in advance to iron out any issues regarding fees or receipts and disbursements. Finally, it will need to be served on the Service List. Mr. Mitra expects that motion can be ready in a couple of weeks.

[4] I am ordering the Receiver to follow the same timetable as Motion #2 below BUT the Receiver is at liberty to move faster if it is able. Given the shortfalls involved and the small number of parties involved in this case, I expect the Receiver's motion is something that can likely be dealt with in 15 or 20 minutes at a 9:30 a.m. Zoom hearing if none are opposing (hence my advice to consult in advance). I am tacking the Receiver's motion on to the same timetable as Motion #2 below (Scheduled June 25 at noon), but if the Receiver is able to get everything lined up to go earlier, it may do so if the Commercial List office can find a 20 minute time slot to schedule it. Obviously, it would be preferable to do this BEFORE serving the motion record on the Service List to avoid having to notify of a changed date.

[5] Motion #2 is a short, sharp intercreditor dispute between Pace and the Luongo group. The condominium units having been sold en bloc, the parties have been discussing how to allocate the proceeds. In a nutshell, Pace proposes to divide the proceeds pro rata based on square footage as this is the purchase price allocation in the purchase agreement. The Luongo parties have valuation evidence that suggests their unit ought reasonably to be allocated a higher amount. It is a genuine, but narrow, dispute. If the dispute is NOT resolved when the Receiver's discharge application proceeds, the Receiver's scheme of distribution will be to distribute the funds to the two creditors subject only to a holdback for the amount in dispute – estimated at something less than \$100,000. Motion #2 will allocate that hold-back amount and the receiver post-discharge will simply await a final order or consent from both parties allocating the holdback amount and file its certificate to complete its discharge thereafter.

[6] It is hoped that this method of proceeding will keep costs to a minimum and enable the two creditors to get the court's help in solving a narrow question they have thus far failed to agree on.

[7] The following timetable is ordered for BOTH Motion #1 (with necessary changes for Receiver as moving party in Motion #1) and Motion #2. This remains subject to my comments above about Motion #1 potentially being moved up and dealt with at an earlier 9:30 hearing:

Motion Record of Pace re distribution issue: June 8, 2021

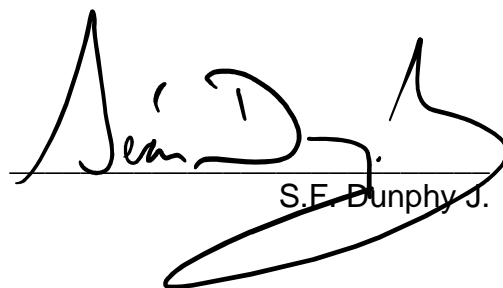
Responding Record of Luongo et al: June 9, 2021

Moving party factum: June 15, 2021

Responding party factum: June 16, 2021

Reply factum if any:	June 18, 2021
Motion confirmations at CL office:	June 18, 2021
Motion Heard:	June 25, 2021 at NOON for 90 minutes booked)

Notes: For Motion #1, Receiver motion record June 8 and other dates as written above. Parties agree no cross-examination is necessary here.



S.F. Dunphy J.

**Date:** May 26, 2021

# TAB 10

## Jeremy Nemers

---

**From:** Howard Manis <hmanis@msmlaw.net>  
**Sent:** June 7, 2021 12:58 PM  
**To:** Jeremy Nemers; Tim Hogan  
**Cc:** Zafir Khan; Sanj Mitra; Philip Gennis; Mukul Manchanda (mmanchanda@spergel.ca)  
**Subject:** RE: Noble House [IWOV-HPMain.FID465881]

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Thanks Jeremy as that makes it clear to me.

I may have missed the spreadsheet sent last week.

**Howard Manis** | Partner | T. 416.364.5289 | M. 416.417.7257 | [HManis@msmlaw.ca](mailto:HManis@msmlaw.ca)



150 York Street, Suite 800, Toronto, Ontario, M5H 3S5 Canada | T. 416.364.1553 | F. 416.364.1453 | [www.msmlaw.ca](http://www.msmlaw.ca)

---

**From:** Jeremy Nemers <jnemers@airdberlis.com>  
**Sent:** June 7, 2021 12:52 PM  
**To:** Howard Manis <hmanis@msmlaw.net>; Tim Hogan <thogan@harrisonpensa.com>  
**Cc:** Zafir Khan <zafir@rutmanlaw.com>; Sanj Mitra <smitra@airdberlis.com>; Philip Gennis <PGennis@spergel.ca>; Mukul Manchanda (mmanchanda@spergel.ca) <mmanchanda@spergel.ca>  
**Subject:** RE: Noble House [IWOV-HPMain.FID465881]

Thanks for your email. I'm not sure I understand the reference to the \$400,000 that you describe as "missing," and, in this regard, I note:

1. the attached statement of adjustments from my earlier email of today (showing how the \$2.85 million purchase price was adjusted to arrive at the \$2,733,503.71 that was payable on closing);
2. my below email of today (showing how the \$2,733,503.71 that was payable on closing reconciles with the \$2,567,487.60 in the Receiver's spreadsheet of last Thursday); and
3. the Receiver's spreadsheet of last Thursday (reflecting this \$2,567,487.60 figure on the first line for "sale of land and building").

The time has come for the Receiver to finalize its materials, and it will do so based on what it understands to be in dispute between the two secured creditors based on the information that has been provided to us.

Thanks,

**Jeremy Nemers**  
**Aird & Berlis LLP**

T 416.865.7724  
 E [jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)

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If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

**From:** Howard Manis <[hmanis@msmlaw.net](mailto:hmanis@msmlaw.net)>  
**Sent:** June 7, 2021 12:39 PM  
**To:** Jeremy Nemers <[jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)>; Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)>  
**Cc:** Zafir Khan <[zafir@rutmanlaw.com](mailto:zafir@rutmanlaw.com)>; Sanj Mitra <[smitra@airdberlis.com](mailto:smitra@airdberlis.com)>; Philip Gennis <[PGennis@spergel.ca](mailto:PGennis@spergel.ca)>; Mukul Manchanda <[mmanchanda@spergel.ca](mailto:mmanchanda@spergel.ca)> <[mmanchanda@spergel.ca](mailto:mmanchanda@spergel.ca)>  
**Subject:** RE: Noble House [IWOV-HPMain.FID465881]

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All,

Zafir and I have spoken and our client understands that professional fees and costs need to be deducted from the distributions to both the Luongo Family and Pace Credit Union but that same should be allocated based on our client having a valuation of its mortgage of \$490,000 based on the income approach previously raised. Our client does not expect to receive \$490,000 from the net sale proceeds.

That having been said, can the Receiver provide a Statement of where the net proceeds were distributed as there seems to be a missing \$400,000 that has not been accounted for (perhaps real estate commissions).

While we are still far apart, we believe that we can get instructions to accept the \$310,000 payable to our client as Tim had prepared in a spreadsheet a month or so ago plus the \$11,000 that our client paid in realty taxes prior to the appointment of the Receiver as same would have otherwise been paid by the Receiver on closing of the sale transaction.

We await hearing from both Jeremy and Tim in these respects.

**Howard Manis** | Partner | T. 416.364.5289 | M. 416.417.7257 | [HManis@msmlaw.ca](mailto:HManis@msmlaw.ca)



150 York Street, Suite 800, Toronto, Ontario, M5H 3S5 Canada | T. 416.364.1553 | F. 416.364.1453 | [www.msmlaw.ca](http://www.msmlaw.ca)

**From:** Jeremy Nemers <[jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)>  
**Sent:** June 7, 2021 10:17 AM  
**To:** Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)>  
**Cc:** Howard Manis <[hmanis@msmlaw.net](mailto:hmanis@msmlaw.net)>; Zafir Khan <[zafir@rutmanlaw.com](mailto:zafir@rutmanlaw.com)>; Sanj Mitra <[smitra@airdberlis.com](mailto:smitra@airdberlis.com)>; Philip Gennis <[PGennis@spergel.ca](mailto:PGennis@spergel.ca)>; Mukul Manchanda <[mmanchanda@spergel.ca](mailto:mmanchanda@spergel.ca)> <[mmanchanda@spergel.ca](mailto:mmanchanda@spergel.ca)>  
**Subject:** Fwd: Noble House [IWOV-HPMain.FID465881]

Hi Tim,

I am pasting the Receiver's below/attached response regarding your first question (and also copying Howard and Zafir so that they see this information too). Please note the attached statement of adjustments to arrive at the \$2,733,503.71 referenced below.

"The balance due on closing received by A&B was \$2,733,503.71, from which realty taxes in the amount of \$266,016.11 were deducted.

Spergel, received from A&B the net after tax balance of \$2,467,487.60, to which was added the \$100,000 deposit held by us resulting in the sum reported in the amount of \$2,567,487.60.”

With respect to your second point, it is our intention to have the Receiver’s motion heard at noon on June 25, as the tack-on motion contemplated by His Honour’s previous endorsement to your main motion. I am not aware of which Judge will be hearing the two motions.

Looking forward to hearing back from you and Howard/Zafir this morning regarding my original email below, as the Receiver will need to finalize its materials one way or another for service tomorrow.

Many thanks,

Jeremy

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---

**From:** Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)>  
**Sent:** Monday, June 7, 2021 8:02 AM  
**To:** Jeremy Nemers  
**Cc:** Sanj Mitra; Paul Waters ([pwaters@pacecu.com](mailto:pwaters@pacecu.com))  
**Subject:** RE: Noble House [IWOV-HPMain.FID465881]

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Jeremy

Can you confirm for Pace the accounting resulting in the sum of \$2,567,487.60 in the sale proceeds, presumably the sale price less commissions and taxes paid.

Second, assuming all are in agreement with the receiver’s approach, can you confirm your plan is to have the receiver’s motion proceed June 25 at 12 noon. Do you have any confirmation from Alsou as to the what Judge is hearing the June 25 matter? If not we will follow on that today.

**Tim Hogan** | [HARRISON PENSEA LLP](#) | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362 | [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)

Assistant | Cathy Coleiro | *tel* 519-850-5568 | [ccoleiro@harrisonpensa.com](mailto:ccoleiro@harrisonpensa.com)



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---

**From:** Jeremy Nemers <[jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)>  
**Sent:** Thursday, June 3, 2021 5:51 PM  
**To:** Howard Manis <[hmanis@msmlaw.net](mailto:hmanis@msmlaw.net)>; Zafir Khan <[zafir@rutmanlaw.com](mailto:zafir@rutmanlaw.com)>; Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)>  
**Cc:** Sanj Mitra <[smitra@airdberlis.com](mailto:smitra@airdberlis.com)>; Philip Gennis <[PGennis@spergel.ca](mailto:PGennis@spergel.ca)>; Mukul Manchanda (<[mmanchanda@spergel.ca](mailto:mmanchanda@spergel.ca)> <[mmanchanda@spergel.ca](mailto:mmanchanda@spergel.ca)>  
**Subject:** FW: Noble House  
**Importance:** High

[EXTERNAL EMAIL]

Gentlemen,

Reference is made to His Honour's endorsement (reattached for convenience), pursuant to which we are asking you to confirm the quantum of distribution that remains in dispute as between your respective clients.

Based on Howard's response below and its attachment (reattached for convenience), it appears that Howard's clients (who we understand to also be Zafir's clients) are claiming an entitlement to a net distribution of \$490,285, without any specific regard to what proceeds were generated or what expenses were incurred. Conversely, we understand that Tim's client (Pace) proposes to divide the sale proceeds and corresponding expenses on a pro rata basis according to square footage, as set out in the agreement of purchase and sale.

Attached is the Receiver's Excel spreadsheet, reflecting both sets of calculations, provided that there is no opposition to the Receiver's motion. Based on the attached, it appears to the Receiver that the "square footage" allocation amount to Howard's/Zafir's clients would be \$110,773.92, such that the amount in dispute is \$379,511.08 (i.e., the difference between \$490,285 and \$110,773.92). There are of course other possible outcomes in between these two extremes, but the disputed amount of \$379,511.08 is meant to capture the difference between Howard/Zafir being successful on all fronts (i.e., \$490,285 without any deduction for expenses) versus Tim being successful on all fronts (i.e., square footage allocation on both proceeds and expenses).

Can you please confirm that you agree that the disputed amount is \$379,511.08 and that you are otherwise satisfied with the attached spreadsheet? This will enable the Receiver to finalize its motion materials, and, as set out in the attached, recommend the following distributions to the Court as between your respective clients:

- an initial undisputed distribution of \$110,773 to Zafir's/Howard's clients;
- an initial undisputed distribution of \$1,621,830.36 to Pace; and
- the remaining disputed amount of \$379,511.08 to be decided in a separate motion in which the Receiver will not participate per His Honour's endorsement.

We look forward to hearing from you as soon as possible, and, in any event, by no later than Monday morning, so that the Receiver can finalize its motion materials for the Tuesday deadline. Please let us know if it would be helpful for us to get on the phone with you to walk-through any of the numbers.

Thanks,

**Jeremy Nemers**  
**Aird & Berlis LLP**

T 416.865.7724  
E [jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)

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---

**From:** Howard Manis <[hmanis@msmlaw.net](mailto:hmanis@msmlaw.net)>  
**Sent:** May 31, 2021 2:55 PM  
**To:** Philip Gennis <[PGennis@spergel.ca](mailto:PGennis@spergel.ca)>  
**Cc:** Zafir Khan <[zafir@rutmanlaw.com](mailto:zafir@rutmanlaw.com)>; Joe Luongo <[Joe@saveu-tax.com](mailto:Joe@saveu-tax.com)>  
**Subject:** FW: Noble House

Hi,

As discussed moments ago, please see the values that Mr. Luongo places on his mortgage as far as being able to have recovered upon a sale of the property but for the appointment of the Receiver which he never asked for, wanted or was made a party to any such receivership proceedings.

Let me know if you want to discuss this further.

**Howard Manis** | Partner | T. 416.364.5289 | M. 416.417.7257 | [HManis@msmlaw.ca](mailto:HManis@msmlaw.ca)



150 York Street, Suite 800, Toronto, Ontario, M5H 3S5 Canada | T. 416.364.1553 | F. 416.364.1453 | [www.msmlaw.ca](http://www.msmlaw.ca)

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**STATEMENT OF ADJUSTMENTS**

**Vendor:** msi Spergel Inc., in its capacity as court-appointed receiver of Noble  
House Development Corporation, 2307400 Ontario Inc. and 2209326  
Ontario Ltd., and not in its personal capacity

**Purchaser:** F.P.A.D. Corporation

**Property:** Units 1-14, Level 1 and Unit 1, Level 2, Muskoka Standard Condominium  
No. 80, Town of Huntsville

**Adjusted as of:** February 12, 2021

	Credit Purchaser	Credit Vendor
<b><u>SALE PRICE</u></b>		\$2,850,000.00
<b><u>DEPOSIT</u></b>	\$100,000.00	
<b><u>REALTY TAXES FOR ALL UNITS</u></b> See Schedule A Credit Purchaser:	10,833.61	
<b><u>TENANCY</u></b> - See Schedule B Monthly rent: 847.50 Tenant has paid for rental period commencing February 1, 2021 Vendor's share for 11 days: 332.95 Credit Purchaser:	514.55	
<b><u>SELF STORAGE RENTAL UNITS</u></b> - See Schedule C Vendor has received payment for period February 1, 2021 to February 28, 2021: 2,465.07 Vendor's share for 11 days: 968.42 Credit Purchaser:	1,496.65	
<b><u>PRE-PAID RENT</u></b> - See Schedule C Credit Purchaser:	3,651.48	
<b><u>BALANCE DUE ON CLOSING</u></b> payable to Aird & Berlis LLP, in trust or as further directed	2,733,503.71	
	<b>\$2,850,000.00</b>	<b>\$2,850,000.00</b>

SCHEDULE A  
REALTY TAX CALCULATIONS

	Credit Purchaser	Credit Vendor
<b><u>REALTY TAXES</u></b> 1 - 3 Crescent Road, Huntsville 2020 total taxes: 5,620.61 Estimated Increase for 2021: 3.00% Estimated 2021 taxes: 5,789.23 Vendor has paid: 0.00 Vendor's share for 42 days: 666.16 Credit Purchaser:	\$666.16	
<b><u>REALTY TAXES</u></b> 2 - 3 Crescent Road, Huntsville 2020 total taxes: 5,350.38 Estimated Increase for 2021: 3.00% Estimated 2021 taxes: 5,510.89 Vendor has paid: 0.00 Vendor's share for 42 days: 634.13 Credit Purchaser:	634.13	
<b><u>REALTY TAXES</u></b> 3 - 3 Crescent Road, Huntsville 2020 total taxes: 5,350.38 Estimated Increase for 2021: 3.00% Estimated 2021 taxes: 5,510.89 Vendor has paid: 0.00 Vendor's share for 42 days: 634.13 Credit Purchaser:	634.13	
<b><u>REALTY TAXES</u></b> 4 - 3 Crescent Road, Huntsville 2020 total taxes: 6,143.05 Estimated Increase for 2021: 3.00% Estimated 2021 taxes: 6,327.34 Vendor has paid: 0.00 Vendor's share for 42 days: 728.08 Credit Purchaser:	728.08	

*Continued...*

	Credit Purchaser	Credit Vendor
<b><u>REALTY TAXES</u> 5 - 3 Crescent Road, Huntsville</b>		
2020 total taxes:	4,918.04	
Estimated Increase for 2021:	3.00%	
Estimated 2021 taxes:	5,065.58	
Vendor has paid:	0.00	
Vendor's share for 42 days:	582.89	
Credit Purchaser:	582.89	
<b><u>REALTY TAXES</u> 6 - 3 Crescent Road, Huntsville</b>		
2020 total taxes:	4,900.03	
Estimated Increase for 2021:	3.00%	
Estimated 2021 taxes:	5,047.03	
Vendor has paid:	0.00	
Vendor's share for 42 days:	580.75	
Credit Purchaser:	580.75	
<b><u>REALTY TAXES</u> 7 - 3 Crescent Road, Huntsville</b>		
2020 total taxes:	5,242.30	
Estimated Increase for 2021:	3.00%	
Estimated 2021 taxes:	5,399.57	
Vendor has paid:	0.00	
Vendor's share for 42 days:	621.32	
Credit Purchaser:	621.32	
<b><u>REALTY TAXES</u> 8 - 3 Crescent Road, Huntsville</b>		
2020 total taxes:	4,773.92	
Estimated Increase for 2021:	3.00%	
Estimated 2021 taxes:	4,917.14	
Vendor has paid:	0.00	
Vendor's share for 42 days:	565.81	
Credit Purchaser:	565.81	
<b><u>REALTY TAXES</u> 9 - 3 Crescent Road, Huntsville</b>		
2020 total taxes:	5,404.44	
Estimated Increase for 2021:	3.00%	
Estimated 2021 taxes:	5,566.57	
Vendor has paid:	0.00	
Vendor's share for 42 days:	640.54	
Credit Purchaser:	640.54	
<b><u>REALTY TAXES</u> 10 - 3 Crescent Road, Huntsville</b>		
2020 total taxes:	6,521.35	
Estimated Increase for 2021:	3.00%	
Estimated 2021 taxes:	6,716.99	
Vendor has paid:	0.00	
Vendor's share for 42 days:	772.91	
Credit Purchaser:	772.91	

Continued...



	Credit Purchaser	Credit Vendor
<b>REALTY TAXES</b> 11 - 3 Crescent Road, Huntsville		
2020 total taxes:	7,007.76	
Estimated Increase for 2021:	3.00%	
Estimated 2021 taxes:	7,217.99	
Vendor has paid:	0.00	
Vendor's share for 42 days:	830.56	
Credit Purchaser:	830.56	
<b>REALTY TAXES</b> 12 - Crescent Road, Huntsville		
2020 total taxes:	9,673.95	
Estimated Increase for 2021:	3.00%	
Estimated 2021 taxes:	9,964.17	
Vendor has paid:	0.00	
Vendor's share for 42 days:	1,146.56	
Credit Purchaser:	1,146.56	
<b>REALTY TAXES</b> 13 - 3 Crescent Road, Huntsville		
2020 total taxes:	6,503.34	
Estimated Increase for 2021:	3.00%	
Estimated 2021 taxes:	6,698.44	
Vendor has paid:	0.00	
Vendor's share for 42 days:	770.78	
Credit Purchaser:	770.78	
<b>REALTY TAXES</b> 14 - 3 Crescent Road, Huntsville		
2020 total taxes:	7,818.42	
Estimated Increase for 2021:	3.00%	
Estimated 2021 taxes:	8,052.97	
Vendor has paid:	0.00	
Vendor's share for 42 days:	926.64	
Credit Purchaser:	926.64	
<b>REALTY TAXES</b> 15 - 3 Crescent Road, Huntsville		
2020 total taxes:	6,179.07	
Estimated Increase for 2021:	3.00%	
Estimated 2021 taxes:	6,364.44	
Vendor has paid:	0.00	
Vendor's share for 42 days:	732.35	
Credit Purchaser:	732.35	
<b>TOTAL CREDIT TO PURCHASER:</b>	<b>\$10,833.61</b>	



**SCHEDULE “B”****TENANT RENT ROLL**

<b>TENANT</b>	<b>MONTHLY RENT</b>	<b>HST</b>	<b>TOTAL</b>
Dr. Blaine Foell	\$750.00	\$97.50	\$847.50
<b>TOTAL</b>			<b>\$847.50</b>

**SCHEDULE “C”****SELF STORAGE RENTAL UNITS**

<b>UNIT #</b>	<b>RENT</b>	<b>HST</b>	<b>TOTAL</b>	<b>FEBRUARY RENT - PAID</b>	<b>PREPAID RENT</b>
A10	\$90.25	\$11.73	\$101.98	\$101.98	\$407.92 (paid to June, 2021)
A11	\$184.89	\$24.03	\$208.92	\$208.92	
A14	\$104.00	\$13.52	\$117.52	\$117.52	
C3 (C16 and C17)	\$480.00	\$62.40	\$542.40	\$542.40	
D2	\$136.00	\$17.68	\$153.68	\$153.68	
D5	\$136.00	\$17.68	\$153.68	\$153.68	
E2 (E3)	\$244.25	\$31.75	\$276.00	\$276.00	
E7 (E8, E12-E15)	\$717.60	\$93.29	\$810.89	\$810.89	\$3,243.56 (paid to June, 2021)
G7	\$88.50	\$11.50	\$100.00	\$100.00	
<b>TOTAL</b>	<b>\$2,181.49</b>	<b>\$283.58</b>	<b>\$2,465.07</b>	<b>\$2,465.07</b>	<b>\$3,651.48</b>

43408465.1



District of            Ontario  
Division              09-Toronto  
Court No.            CV-20-00635946-00CL

**In the Matter of the Receivership of**

**Noble House Development Corporation, 2307400 Ontario Inc. and 2209326 Ontario Ltd.**

Receiver's Interim Statement of Receipts and Disbursements  
as at May 28, 2021

	<b>Total</b>	<b>Reference</b>	<b>Notes</b>
<b>RECEIPTS</b>			
Sale of land and building	2,567,487.60		
Advance from secured lender	110,000.00		
Rental income	142,600.59		
HST collected	18,395.18		
Interest earned	2,439.84		
	<hr/>		
<b>TOTAL RECEIPTS</b>	<b>2,840,923.21</b>		
	<hr/>		
<b>DISBURSEMENTS</b>			
Fees paid to the Official Receiver	210.00		
Ascend licensing fees	275.00		
HST paid on disbursements	34,514.71		
HST paid on legal fees	5,277.97		
Appraisal fees	8,000.00		
Receiver's fees and costs (previously approved by court)	116,389.50		
Insurance	42,337.08		
PPSA and other searches	92.26		
Bank charges	26.00		
Legal fees and disbursements (previously approved by court)	40,859.65		
Travel / Mileage	2,376.20		
Change of locks	1,091.45		
Utilities	57,052.63		
Sales commission	142,500.00		
Courier	289.39		
HST on Receiver's fees	15,130.64		
Repairs & maintenance	15,590.20		
Environmental consultant fee	25,725.00		
Building inspection report	4,650.00		
	<hr/>		
<b>TOTAL DISBURSEMENTS</b>	<b>512,387.68</b>	A	
	<hr/>		
<b>Net Receipts over Disbursements as at May 28, 2021</b>	<b>\$ 2,328,535.53</b>		
	<hr/>		
	E&OE		
<b><u>Proposed Disbursements</u></b>			
Net Receipts over Disbursements from above	2,328,535.53		
	<hr/>		
Cost of receiver's borrowings	4,973.82		Note 1
Receiver's fees and costs including wip and accrual	33,088.94		
Legal fees and disbursements including wip and accrual	68,357.41		
	<hr/>		
<b>Total proposed disbursements prior to distribution</b>	<b>106,420.17</b>	B	

<b>Net Receipts over Proposed Disbursements</b>	<b><u>2,222,115.36</u></b>	C
---	----------------------------	---

**Possible Distribution Methods for Luongo**

**Method 1 - Based on Purchase Price Allocation pursuant to APS**

Purchase Price Allocation pursuant to Schedule E of APS for Unit 1 Level 2	144,971.77
Total purchase price as per APS	2,850,000.00
Percentage of allocation to Unit 1 Level 2	5.0867288%

<b>Total expenses (A+B)</b>	<b>618,807.85</b>
-----------------------------	-------------------

Expenses allocated to Unit 1 Level 2	31,477.08
Property taxes related to Unit 1 Level 2	<u>2,720.77</u>

<b>Total expenses allocated to Unit 1 Level 2</b>	<b><u>34,197.85</u></b>
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<b>Method 2 - Based on claim from Luongo's counsel</b>	490,285.00	D
--	------------	---

**Net Distribution to Luongo in Method 1 and Method 2**

	<b>Method 1</b>	<b>Method 2</b>
Value of Unit 1 Level 2	144,971.77	490,285.00
Expenses allocated to Unit 1 Level 2	<u>(34,197.85)</u>	-

<b>Net Distribution to Luongo</b>	<b><u>110,773.92</u></b>	<b><u>490,285.00</u></b>
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**Proposed Distribution**

Net Receipts over Proposed Disbursements (C)	2,222,115.36	
Principal repayment of Receiver's Borrowing	(110,000.00)	
Undisputed payment to Luongo in accordance with Method 1	(110,773.92)	Note 2
Undisputed distribution to Pace Credit Union	<u>(1,621,830.36)</u>	

<b>Holdback pending resolution of allocation (D - Method 1 net distribution)</b>	<b><u>379,511.08</u></b>	Note 3
--	--------------------------	--------

**Notes**

1. Interest on \$110,000 projected to July 5, 2021 being the projected date of distribution.
2. Undisputed Amount payable to Luongo
3. Holdback calculated as follows:  
\$490,285 (Luongo claim) less \$110,773.92

# TAB 11

**Jeremy Nemers**

---

**Subject:** FW: In the Matter of the Receivership of Noble House [IWOV-HPMain.FID465881]

---

**From:** Kuchinsky, Alison <[akuchinsky@loonix.com](mailto:akuchinsky@loonix.com)>  
**Sent:** Wednesday, May 19, 2021 3:12 PM  
**To:** Howard Manis <[hmanis@msmlaw.net](mailto:hmanis@msmlaw.net)>  
**Cc:** Melinda Vine <[mvine@harrisonpensa.com](mailto:mvine@harrisonpensa.com)>; Zafir Khan <[zafir@rutmanlaw.com](mailto:zafir@rutmanlaw.com)>  
**Subject:** RE: In the Matter of the Receivership of Noble House

[EXTERNAL EMAIL]

Hi Howard,

I can confirm that our client will not be asserting priority over the mortgages and therefore will not be participating in the motion. Please let me know if you need anything else from us or if you would like us to advise counsel for the receiver directly.

All the best,

 **Alison Kuchinsky, B.A., J.D.**  
 Partner | Commercial Litigation | Loopstra Nixon LLP  
 ☎ 416.748.4771 | F: 416.746.8319  
 ✉ [akuchinsky@loonix.com](mailto:akuchinsky@loonix.com) | [www.loopstranixon.com](http://www.loopstranixon.com)  
 135 Queens Plate Drive, Suite 600, Toronto, ON Canada M9W 6V7



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---

**From:** Howard Manis <[hmanis@msmlaw.net](mailto:hmanis@msmlaw.net)>  
**Sent:** May 17, 2021 2:51 PM  
**To:** Kuchinsky, Alison <[akuchinsky@loonix.com](mailto:akuchinsky@loonix.com)>  
**Cc:** Melinda Vine <[mvine@harrisonpensa.com](mailto:mvine@harrisonpensa.com)>; Zafir Khan <[zafir@rutmanlaw.com](mailto:zafir@rutmanlaw.com)>  
**Subject:** In the Matter of the Receivership of Noble House

Alison,

I act for the Luongo family in connection with their registered mortgage on a property owned by the above-noted Debtor.

Ms. Vine acts for Pace Credit Union who also has registered mortgages given by the Debtor.

On behalf of your client, you registered a lien however, the said lien was filed after the mortgages in question.

None of the mortgages were building mortgages.

Accordingly, we are of the view that the lien is subsequent in priority to the two mortgages.

Given that the Receiver has sold the subject property and is preparing to bring a motion to approve the distribution of the sale proceeds, please confirm that your client accepts that its lien is not in priority to the mortgages so that the distribution can proceed as both mortgagees will unfortunately suffer shortfalls on the indebtedness owed to them.

We await hearing from you.

Should you wish to discuss this matter further, please advise.

**Howard Manis** | Partner | T. 416.364.5289 | M. 416.417.7257 | [HManis@msmlaw.ca](mailto:HManis@msmlaw.ca)



150 York Street, Suite 800, Toronto, Ontario, M5H 3S5 Canada | T. 416.364.1553 | F. 416.364.1453 | [www.msmlaw.ca](http://www.msmlaw.ca)

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# TAB 12

# WILLIAM HARVEY JONES

B A R R I S T E R & S O L I C I T O R

Suite 2702 – 401 Bay Street | Toronto, Ontario | M5H 2Y4

TEL: (416) 596-8876 | FAX: (416) 596-0907 | EMAIL: [WHJONES@WILLIAMJONES.CA](mailto:WHJONES@WILLIAMJONES.CA)

April 29, 2021

Macdonald Sager and Manis LLP  
Suite 800- 150 York Street  
Toronto, Ontario  
M5H 3S8

Attention: Doron Noah, Esq.

Dear Sirs and Mesdames:

Re: Payout of mortgage MT154626 and release of assignment of rents MT154627  
(collectively the "Security") from land and premises described as PIN 48880-001 -  
48880 -0014 (the "Lands")

---

I refer to my correspondence dated October 24, 2017 and in particular the mortgage discharge statement form Andrew Turner concerning the discharge of the above referenced Security form the Lands.

I wish to confirm that the required payout amounts were received by Mr. Turner and that the Security is now discharged from the Lands.

Mr. Turner has no further interest in the said Lands.

Please advise me should you require any further information.

Yours very truly,

William Harvey Jones  
WHJ: alp

Encl:

# WILLIAM HARVEY JONES

B A R R I S T E R & S O L I C I T O R

Suite 2702 – 401 Bay Street | Toronto, Ontario | M5H 2Y4

TEL: (416) 596-8876 | FAX: (416) 596-0907 | EMAIL: [WHJONES@WILLIAMJONES.CA](mailto:WHJONES@WILLIAMJONES.CA)

October 24, 2017

Ain Whitehead  
Barristers & Solicitors  
27 Clapperton Street, Suite 100A  
Barrie, Ontario L4M 3E6  
Attention: Andrew Ain

Macdonald Sager Manis LLP  
Suite 800- 150 York Street  
Toronto, Ontario  
M5H 3S8  
Attention: Doron Noah, Esq.

Dear Sirs:

**RE: Payout of mortgage MT154626 and release of assignment of rents MT145627 from  
22009326 Ontario Ltd and 2307400 Ontario Inc. (the "Mortgagors")  
In favour of Andrew Turner**

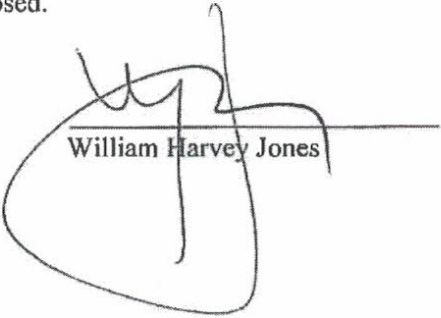
I have received your request for a payout statement and your advice that the Mortgagors intend to payout the indebtedness secured by the above referenced security to Mr. Turner on Wednesday October 25, 2017.

I enclose herewith the following:

1. A further copy of the Mortgage Discharge Statement dated October 5, 2017;
2. Copy of the authorization and direction for the discharge of mortgage MT 154626 and release of the notice of assignment of rents MT 154627; and
3. My professional undertaking to the borrowers and the lender and their respective counsel concerning the discharge funds.

I reconfirm that the revised payout amount after applying the *per diem* rate of interest of \$123.81 as at October 25, 2017 is \$385,927.46.

Pleased confirm that your clients intend to proceed as proposed.

  
William Harvey Jones

# TAB 13

Canada Revenue  
AgencyAgence du revenu  
du Canada

OCT 15 2020

Tax Centre  
Hamilton ON L8R 3P7

October 07, 2020

2209326 ONTARIO LTD.  
C/O MSI SPERGEL INC.  
200 - 505 CONSUMERS RD  
NORTH YORK ON M2J 4V8Account Number  
80156 2893 RT0001

Dear Sir or Madam:

Subject: 2209326 ONTARIO LTD.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of \$1737.66.

Period outstanding	GST/HST payable	Penalty & interest	Total
190801-191031	\$1714.43	\$23.23	\$1737.66

Under the Excise Tax Act, \$1714.43 of the above totals represents property of the Crown held in trust and does not form part of 2209326 ONTARIO LTD.'s property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada \$1714.43 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of \$23.23.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately

.../2

National Insolvency Office  
55 Bay Street North  
Hamilton ON L8R 3P7Local: 416-659-7365  
Toll Free: 1-866-771-6562  
Fax: 905-570-8247  
Web site: canada.ca/taxes

before the fiscal year you became receiver.

For more information or clarification, please call us at  
(416) 659-7365.

Yours truly,

A handwritten signature in dark ink, appearing to be 'M. Vice', with a horizontal line extending to the right.

M. Vice (1214)  
Complex Case Officer

# TAB 14

Canada Customs  
and Revenue AgencyAgence des douanes  
et du revenu du Canada

<b>FAX</b>	<b>Date: February 1, 2021</b>
	<b># of pages to follow: 2</b>

<b>To:</b> MSI SPERGEL INC.	<b>From:</b> Theresa Smith
<b>ATTN:</b> Frieda	
<b>Telephone:</b> 416-498-4314	<b>Telephone:</b> 1-416-809-8427
	<b>Toll-Free:</b>
<b>Fax:</b> 416-494-7199	<b>Fax :</b>

Please find the attached claim letter for the unsecured amount of \$51,676.35.

Debtor's Name: 2307400 ONTARIO INC.

Estate Number: 31-458900

Please contact Theresa Smith should you have any questions 416-809-8427

1557 Hollis Street  
P. O. Box 638  
Halifax, NS B3J 2T5

1557, rue Hollis  
C. P. 638  
Halifax, NS B3J 2T5

Website: [www.cra.gc.ca](http://www.cra.gc.ca)  
Website: [www.adrc.gc.ca](http://www.adrc.gc.ca)



Canada Revenue  
AgencyAgence du revenu  
du CanadaTax Centre  
Toronto ON M5J 2X6

February 02, 2021

2307400 ONTARIO INC.  
C/O MSI SPERGEL INC.  
200 - 505 CONSUMERS RD  
NORTH YORK ON M2J 4V8Account Number  
84333 6108 RT0001

Dear Sir or Madam:

Subject: 2307400 ONTARIO INC.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of \$51,676.35.

Period outstanding	GST/HST payable	Penalty & interest	Total
2018-12-31	\$6,500.13	\$897.66	\$7,397.79
2017-12-31	\$6,500.13	\$1,538.21	\$8,038.34
2016-12-31	\$6,500.13	\$1,949.98	\$8,450.11
2015-12-31	\$6,500.13	\$2,384.14	\$8,884.27
2014-12-31	\$6,500.13	\$2,839.64	\$9,339.77
2013-12-31	\$6,500.13	\$3,065.94	\$9,566.07

Under the Excise Tax Act, \$0.00 of the above totals represents property of the Crown held in trust and does not form part of 2307400 ONTARIO INC.'s property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada \$0.00 out of the realization of any property subject to the trust created by

.../2

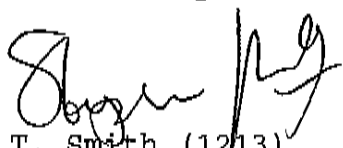
National Insolvency Office  
1 Front Street West  
2nd Floor Suite 100  
Toronto ON M5J 2X6Local : 416-809-8427  
Fax : 416-954-6411  
Web site : canada.ca/taxes

subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of \$51,676.35.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 416 809-8427.

Yours truly,

  
T. Smith (1213)  
Resource Officer/Complex Case

# TAB 15

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

**AFFIDAVIT OF PHILIP H. GENNIS**  
(sworn June 7, 2021)

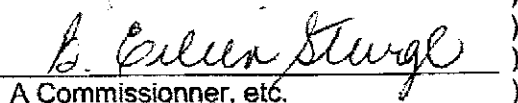
I, **PHILIP H. GENNIS**, of the City of Vaughan, in the Province of Ontario, **MAKE OATH  
AND SAY AS FOLLOWS:**

1. I am a Licensed Insolvency Trustee with msi Spergel Inc. ("**Spergel**"), the Court-Appointed Receiver (the "**Receiver**") of Noble House Development Corporation. ("**Noble House**"), 2307400 Ontario Inc. ("**230 Inc.**") and 2209326 Ontario Ltd. ("**220 Ltd**") and together with Noble House and 230 Inc. the "**Companies**") and as such have knowledge of the matters to deposed herein, except where such

knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.

2. The Receiver was appointed, without security, of all of the assets, undertakings and properties of the Companies by Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) made on February 20, 2020.
3. In connection with the receivership of the Companies for the period from December 16, 2020 to May 28, 2021 fees of \$31,549.32 inclusive of HST and disbursements were charged by Spergel as detailed in the billing summary and time dockets attached hereto as **Exhibit "1"** to this my Affidavit. This represents 89.45 hours at an effective rate of \$352.70 per hour.
4. The hourly billing rates detailed in this Affidavit are comparable to the hourly rates charged by Spergel for services rendered in relation to similar proceedings.
5. This Affidavit is made in support of a motion to, *inter alia*, approve the receipts and disbursements of the Receiver and its accounts.
6. I make this Affidavit for no improper purpose.

SWORN BEFORE ME at the City  
of Toronto, in the Province of  
Ontario, this 7th day of June 2021.

  
A Commissioner, etc.

Barbara Eileen Sturge, a Commissioner, etc.,  
Province of Ontario, for msi Spergel inc.  
and Spergel & Associates inc.  
Expires September 21, 2022.



PHILIP H. GENNIS

**This is Exhibit "1" of the Affidavit of**  
**PHILIP H. GENNIS**  
**Sworn before me on this 7<sup>th</sup> day of June, 2021**

*B. Eileen Sturge*  
**A Commissioner, Etc.**

Barbara Eileen Sturge, a Commissioner, etc.,  
Province of Ontario, for msi Spergel inc.  
and Spergel & Associates Inc.  
Expires September 21, 2022

## Filters Used:

- Time Entry Date: 12/16/20 to 5/28/21  
 - File ID: AANOBL-R: to AANOBL-R:

## MSGG - Detailed Time Dockets

Printed on: 5/31/21

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## File Name (ID): Noble House Development Lts. (AANOBL-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
<b>Alan Spergel (ASP)</b>					
Thur	12/31/2020	Review/sign cheques (2)	0.20	\$625.00	\$105.00
		<b>Alan Spergel (ASP)</b>	<b>0.20</b>		<b>\$105.00</b>
<b>Eileen Sturge (EST)</b>					
Tues	12/22/2020	Swear affidavit; courier to J. Nemers of A&B.	0.20	\$250.00	\$50.00
Tues	02/23/2021	Admin on file	0.10	\$250.00	\$25.00
		<b>Eileen Sturge (EST)</b>	<b>0.30</b>		<b>\$75.00</b>
<b>Frieda Kanaris (FKA)</b>					
Wed	12/16/2020	T/c's with CRA, emails re o/s amounts; admin. on file.	0.70	\$250.00	\$175.00
Thur	12/24/2020	Review and requisition payment for payables; prepare postings for HLD payments.	0.50	\$250.00	\$125.00
Wed	12/30/2020	T/c's and emails with self storage tenants.	4.50	\$250.00	\$1,125.00
Thur	12/31/2020	T/c's and emails with self storage tenants.	1.50	\$250.00	\$375.00
Wed	01/06/2021	Review and deposit cheques received re storage units; t/c's and emails with self storage renters.	2.50	\$250.00	\$625.00
Fri	01/08/2021	Review and deposit rent cheques; email to Dr. Foell; t/c's and emails with self storage renters.	0.50	\$250.00	\$125.00
Mon	01/11/2021	Emails re attending on site Thursday.	0.30	\$250.00	\$75.00
Tues	01/12/2021	T/c to CRA; file HST returns; email and t/c with Elevator One; emails re attending on site Thursday; t/c and emails to self storage renters.	1.70	\$250.00	\$425.00
Thur	01/14/2021	Travel to Huntsville to oversee removal of records from "Jarvis" units.	7.50	\$250.00	\$1,875.00
Fri	01/15/2021	Prepare schedule of o/s rent owed by Muskoka Autobody; review and respond to emails.	0.40	\$250.00	\$100.00
Tues	01/19/2021	T/c with CRA; emails and t/c's with unit holders; reconciliation of payments.	2.20	\$250.00	\$550.00
Thur	01/21/2021	Travel to Huntsville to oversee removal of boxes.	5.50	\$250.00	\$1,375.00
Fri	01/29/2021	Review and requisition payment for payables; emails to unit holders.	0.80	\$250.00	\$200.00
Mon	02/01/2021	Review and deposit rent cheques from unit holders; review fax from CRA; forward to PG and MM; emails with Elevator One; emails with unit renters.	1.20	\$250.00	\$300.00
Wed	02/03/2021	Email exchange with Muskoka Auto Body re o/s rent.	0.30	\$250.00	\$75.00
Thur	02/04/2021	General	4.50	\$250.00	\$1,125.00
Fri	02/05/2021	Finalize self storage renter schedule; prepare schedule of regular renters.	1.40	\$250.00	\$350.00
Tues	02/09/2021	Emails re Elevator One; review Statement of Adjustments, conference call with Randy Hooke and PG; review and deposit rent payments received; t/c with Rene (Muskoka Auto) re snow clearing; t/c's and emails with storage unit renters.	3.00	\$250.00	\$750.00
Wed	02/10/2021	Review and deposit rent cheques; t/c's and emails with storage renters.	2.30	\$250.00	\$575.00
Fri	02/12/2021	Emails re Elevator One and closing, emails with unit holders; t/c's to Hydro One and Enbridge to close accounts.	1.50	\$250.00	\$375.00
Tues	02/16/2021	Prepare posting for WTF for sale of property; email with unit renter.	0.40	\$250.00	\$100.00
Wed	02/17/2021	Exchange of emails with Jay.	0.30	\$250.00	\$75.00
Thur	02/18/2021	Prepare SRD and interim 246(2) reports for Noble House, 2209326 and 2307400 Ontario, fax to OSB.	1.50	\$250.00	\$375.00
Fri	02/19/2021	Review and deposit money order; t/c from Scott Lyall, email with PG, revise renter information spreadsheet and forward to Jay Finch; requisition payment re commission to Lennard Realty; t/c with District of Muskoka re closing of account.	0.80	\$250.00	\$200.00
Mon	02/22/2021	Exchange of emails regarding rent received post closing; follow up re wire payment to Jay Finch.	0.50	\$250.00	\$125.00

## Filters Used:

- Time Entry Date: 12/16/20 to 5/28/21  
 - File ID: AANOBL-R: to AANOBL-R:

## MSGG - Detailed Time Dockets

Printed on: 5/31/21

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## File Name (ID): Noble House Development Ltd. (AANOBL-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
<b>Frieda Kanaris (FKA)</b>					
Tues	02/23/2021	Prepare schedule and requisition payment of legal fees; prepare posting for funds received; emails with self storage renters; review final Enbridge invoices, prepare schedule and requisition payment; admin. on file.	2.20	\$250.00	\$550.00
Wed	02/24/2021	Prepare and fax RC342 form to CRA; t/c with storage unit renter.	0.50	\$250.00	\$125.00
Fri	02/26/2021	Review and deposit rent cheques; emails and t/c's with unit holders; file HST returns.	0.80	\$250.00	\$200.00
Wed	03/03/2021	Review and respond to emails; review and deposit storage rental cheque; scan Interim tax bills; requisition payment for final water bill.	0.50	\$250.00	\$125.00
Fri	03/05/2021	Emails and t/c's with storage renters; review and deposit money order received.	0.50	\$250.00	\$125.00
Tues	03/09/2021	T/c's and emails with unit renters and Ron (FPAD); reconciliation of post closing payments received, prepare schedule; complete Remittance Advice form re filing fees for 2307400 Ontario Inc. and 2209326 Ontario Ltd. and mail to OSB.	1.70	\$250.00	\$425.00
Fri	03/12/2021	T/c and emails re fobs.	0.40	\$250.00	\$100.00
Fri	03/19/2021	Admin. on file, review payment of legal bills.	0.50	\$250.00	\$125.00
Fri	03/26/2021	Review final hydro bills and requisition payment.	0.40	\$250.00	\$100.00
Tues	04/06/2021	T/c from storage unit renter and Ron (FPAD).	0.40	\$250.00	\$100.00
Wed	04/28/2021	Compile data and file o/s HST returns.	0.50	\$250.00	\$125.00
Fri	04/30/2021	Prepare SRD.	0.50	\$250.00	\$125.00
Tues	05/04/2021	T/c from CRA, file o/s HST returns for RT0001.	0.40	\$250.00	\$100.00
Tues	05/11/2021	Email exchange Muskoka Auto and Neurofibrosis.	0.40	\$250.00	\$100.00
Wed	05/12/2021	Emails with PG re post closing funds; email to new owners.	0.50	\$250.00	\$125.00
Tues	05/18/2021	Exchange of emails with Jen re storage unit payments, review same.	0.50	\$250.00	\$125.00
Tues	05/25/2021	T/c CRA re HST; email to Jen.	0.30	\$250.00	\$75.00
Fri	05/28/2021	Review CRA claims for Noble House, 2307400 and 2209326, t/c's with PG re same; file o/s HST return.	0.70	\$250.00	\$175.00
<b>Frieda Kanaris (FKA)</b>			<b>58.00</b>		<b>\$14,500.00</b>
<b>Gillian Goldblatt (GGO)</b>					
Wed	02/17/2021	review and approve disbursements	0.10	\$375.00	\$37.50
Thur	02/25/2021	review and approve disbursements.	0.20	\$375.00	\$75.00
Fri	03/26/2021	review and approve disbursement.	0.10	\$375.00	\$37.50
<b>Gillian Goldblatt (GGO)</b>			<b>0.40</b>		<b>\$150.00</b>
<b>Hinna Shaikh (HSH)</b>					
Tues	12/22/2020	Updated site	0.10	\$120.00	\$12.00
Wed	01/20/2021	Updated site	0.50	\$120.00	\$60.00
<b>Hinna Shaikh (HSH)</b>			<b>0.60</b>		<b>\$72.00</b>
<b>Haran Sivanathan (HSI)</b>					
Mon	01/04/2021	General	0.50	\$150.00	\$75.00
Thur	01/07/2021	General	0.60	\$150.00	\$90.00
Mon	01/11/2021	General	0.20	\$150.00	\$30.00
Thur	01/14/2021	General	0.30	\$150.00	\$45.00
Tues	02/02/2021	General	0.60	\$150.00	\$90.00
<b>Haran Sivanathan (HSI)</b>			<b>2.20</b>		<b>\$330.00</b>
<b>Inga Friptuleac (IFR)</b>					
Mon	01/25/2021	Issue cheque, Deposits	0.60	\$125.00	\$75.00



## Filters Used:

- Time Entry Date: 12/16/20 to 5/28/21  
 - File ID: AANOBL-R: to AANOBL-R:

## MSGG - Detailed Time Dockets

Printed on: 5/31/21

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File Name (ID): Noble House Development Lts. (AANOBL-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
<b>Inga Friptuleac (IFR)</b>					
Mon	02/01/2021	Deposit	0.20	\$125.00	\$25.00
Wed	02/10/2021	Deposit; Post credit transactions	0.40	\$125.00	\$50.00
Mon	02/15/2021	Posting; Issue cheque	0.40	\$125.00	\$50.00
Mon	02/22/2021	Issue cheques	1.00	\$125.00	\$125.00
Mon	03/01/2021	Deposit, Issue cheque, postings	0.60	\$125.00	\$75.00
Thur	03/25/2021	Issue cheque	0.20	\$125.00	\$25.00
<b>Inga Friptuleac (IFR)</b>			<b>3.40</b>		<b>\$425.00</b>
<b>Jeff Adiken (JAD)</b>					
Mon	04/19/2021	March 5, 2021 - Review and sign cheques .1	0.10	\$375.00	\$37.50
<b>Jeff Adiken (JAD)</b>			<b>0.10</b>		<b>\$37.50</b>
<b>Mukul Manchanda (MMA)</b>					
Mon	01/04/2021	Receipt, review and approve disbursements.	0.20	\$395.00	\$79.00
Tues	01/05/2021	Receipt and review of lengthy email from Z. Khan regarding position of the mortgagee of Unit 1, Level 2 at 3 Crescent Road, Huntsville. Receipt and review of an email from Z. Khan containing a 2018 appraisal of the property. Receipt and review of Factum on Receiver's Motion for sale approval. Review of multiple email exchanges between counsel for Receiver and Z. Khan;	0.60	\$395.00	\$237.00
Wed	01/06/2021	Receipt and review of an email containing the Affidavits filed by Z. Khan and by John Jarvis in response to Receiver's sale approval motion. Receipt and review of an email from I. Klaiman requesting NDA to obtain the confidential report. Receipt and review of email exchanges between S. Mitra and I. Klaiman regarding same.	0.60	\$395.00	\$237.00
Thur	01/07/2021	Review of emails from counsel regarding matters related to the upcoming hearing.	0.30	\$395.00	\$118.50
Mon	01/11/2021	Review of motion materials in advance of the hearing. Attended court hearing. Receipt and review the endorsement of Honourable Justice Cavanagh along with the approval and vesting and ancillary orders. Review of email exchanges between counsels regarding removal of records.	1.50	\$395.00	\$592.50
Thur	02/11/2021	Receipt, review and execute the closing documents.	0.50	\$450.00	\$225.00
Fri	02/12/2021	Receipt and review of email exchanges with counsel confirming closing of the transaction. Receipt and review of the commission invoice. Arranged to have same paid.	0.30	\$450.00	\$135.00
Fri	02/19/2021	Receipt, review and approve payables.	0.10	\$450.00	\$45.00
Wed	02/24/2021	Receipt, review and approve payables.	0.20	\$450.00	\$90.00
Fri	03/05/2021	Receipt, review and approve payables.	0.10	\$450.00	\$45.00
<b>Mukul Manchanda (MMA)</b>			<b>4.40</b>		<b>\$1,804.00</b>
<b>Philip H. Gennis (PGE)</b>					
Fri	12/18/2020	Receipt and review of proposed preliminary edits to First Report provided by Receiver's Counsel; telephone discussion with Counsel in this regard; receipt and review of revised marketing summary from Lennard Commercial realty.	0.75	\$525.00	\$393.75
Sun	12/20/2020	Receipt	3.50	\$525.00	\$1,837.50
Wed	12/30/2020	Email exchange with realtor regarding actions taken by Muskoka Auto Body relative to adjoining unit originally occupied by HLD; telephone discussion and email exchange with Counsel for Receiver; draft email to Muskoka Auto Body and forwarding same to Counsel; confirming email from realtor regarding purchaser's knowledge of actions taken by Muskoka Autobody.	1.00	\$525.00	\$525.00
Thur	12/31/2020	Follow up email to Brett Starkman, CPA at SLF regarding outstanding request for books and records for receivership entities.	0.25	\$525.00	\$131.25

## Filters Used:

- Time Entry Date: 12/16/20 to 5/28/21  
 - File ID: AANOBL-R: to AANOBL-R:

## MSGG - Detailed Time Dockets

Printed on: 5/31/21

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File Name (ID): Noble House Development Lts. (AANOBL-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
<b>Philip H. Gennis (PGE)</b>					
Mon	01/04/2021	Responding to emails regarding elevator repairs; receipt and review of Factum prepared by Counsel for Receiver; email exchange with Counsel regarding books and records belonging to Jarvis in storage at 3 Crescent Rd., Huntsville.	1.00	\$525.00	\$525.00
Tues	01/05/2021	Receipt and review of lengthy email from Zafir Khan, Counsel for mortgagee on Unit 1, Level 2 at 3 Crescent Road, Huntsville;; receipt and review of appraisal from 2018 provided by Zafir Khan; receipt and review of Factum on Receiver's Motion for sale approval; numerous emails between Counsel for Receiver and Counsel for mortgagee on Unit 1, Level 2;	0.75	\$525.00	\$393.75
Wed	01/06/2021	Receipt and review of Affidavits filed by first mortgagee on Unit 1, Level 2 and by John Jarvis in response to Receiver's sale approval motion; telephone discussions and email exchange with Receiver's Counsel in this regard.	0.75	\$525.00	\$393.75
Thur	01/07/2021	Draft Supplement to First Report and transmittal to Counsel; email exchange with Counsel proposing revisions; email exchange with Counsel regarding "Abandoned Records and the best way to deal with them; telephone discussion with Counsel in this regard;	1.00	\$525.00	\$525.00
Fri	01/08/2021	Receipt and review of Supplementary Motion Record for January 11th Motion seeking sale approval and vesting order as well approval of conduct and fees;	0.50	\$525.00	\$262.50
Mon	01/11/2021	Coordinating attendance in Huntsville to allow for removal of Abandoned Records; email exchanges with Receiver's Counsel, Receiver and Counsel for Lloyds Insurance with respect to removal of records;; attendance at sale approval hearing; receipt and review of Endorsement of Justice Cavanaugh; Order approving sale to Shaffiq Dar and Ancillary Order dealing with all other matters in motion record, including approval of conduct, sealing of confidential appendices, approval of fees and protocol for dealing with Additional Muskoka Properties and Abandoned Records in Huntsville; multiple emails in this regard exchanged with Receiver, Receiver's Counsel and Counsel for Lloyds; resolving issues of title raised by Counsel for John Jarvis at hearing;	1.50	\$525.00	\$787.50
Tues	01/12/2021	Email to Counsel for mortgagees on Muskoka properties enclosing copy of court order permitting removal of receivership order from title to Additional Muskoka properties.	0.50	\$525.00	\$262.50
Fri	01/15/2021	Email exchange with Receiver's Counsel regarding actions taken by Muskoka Auto Body	0.50	\$525.00	\$262.50
Tues	01/19/2021	Draft email to Muskoka Auto Body; review with Counsel; receipt and review of advice regarding amounts owed to CRA by receivership entities; emails to owner of Muskoka Auto Body regarding conduct relative to the space formerly leased by HLD without Receiver's permission; email to Muskoka Auto Body regarding arrears of rent owed on space legitimately occupied by it.	0.50	\$525.00	\$262.50
Mon	02/01/2021	Receipt and review of claims from CRA; email exchanges with Counsel in this regard;	0.25	\$525.00	\$131.25
Tues	02/02/2021	Receipt and review of CRA Claims; email to Counsel regarding HST Deemed Trust Claims for 230 and 220; email exchange with Muskoka Auto Body regarding unpaid rent for January and February.	0.50	\$525.00	\$262.50
Mon	02/08/2021	Receipt and review of Statement of Adjustments for closing; email exchange with FK and with Counsel in this regard;	0.75	\$525.00	\$393.75
Tues	02/09/2021	Call with Randy Hooke regarding rent adjustments; call with Sanj Mitra, Tim Hogan and Jeremy Nemers regarding CRA correspondence;	0.50	\$525.00	\$262.50

## Filters Used:

- Time Entry Date: 12/16/20 to 5/28/21  
 - File ID: AANOBL-R: to AANOBL-R:

## MSGG - Detailed Time Dockets

Printed on: 5/31/21

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File Name (ID): Noble House Development Lts. (AANOBL-R:)

Day	Date	Memo	B-Hrs	B-Rate	Amount
<b>Philip H. Gennis (PGE)</b>					
Thur	02/11/2021	Receipt and review of closing documents and transmittal to MM for execution;	0.50	\$525.00	\$262.50
Fri	02/12/2021	All matters related to the actual closing of the sale of 3 Crescent Road, Huntsville including but not limited to email exchanges and telephone discussions with Counsel; with Insurance Broker regarding the cancellation of insurance coverage; execution and transmittal of insurance cancellation forms; arranging for wire transfer of adjusted sale proceeds; email report to Paul Waters at Pace CUI.	0.75	\$525.00	\$393.75
Thur	04/22/2021	Receipt and review of email from Counsel to PACE; preparation of allocation analysis; transmittal to Mukul Manchanda for review;	0.75	\$525.00	\$393.75
Thur	04/22/2021	Finalize allocation schedule and transmittal to Counsel for PACE.	0.50	\$525.00	\$262.50
Wed	04/28/2021	Receipt of email from Tim Hogan responding to email from Howard Manis on behalf of the Luongo group; receipt and review of draft email from Sanj Mitra to be sent to Howard Manis on behalf of the Receiver; telephone discussion with Sanj Mitra in this regard;	0.50	\$525.00	\$262.50
Thur	04/29/2021	Email exchange with Counsel for PACE;	0.25	\$525.00	\$131.25
Tues	05/04/2021	Email exchange with Counsel; telephone discussion with Counsel regarding position being taken by Counsel for Luongo group regarding allocation dispute;	0.50	\$525.00	\$262.50
Thur	05/06/2021	Email exchange with Counsel regarding allocation dispute.	0.25	\$525.00	\$131.25
Tues	05/11/2021	Preparation of net recovery analysis for appointing creditor; Email exchange and telephone discussion with Paul Waters and Counsel regarding distribution analysis; email exchanges with Receiver's Counsel regarding possible additional properties subject to Receivership order;	1.00	\$525.00	\$525.00
Wed	05/12/2021	Call with PACE and Counsel regarding net recovery analysis;	0.25	\$525.00	\$131.25
Fri	05/21/2021	Teleconference with Receiver's Counsel.	0.10	\$525.00	\$52.50
Philip H. Gennis (PGE)			<b>19.85</b>		<b>\$10,421.25</b>
Total for File ID AANOBL-R:			<b>89.45</b>		<b>\$27,919.75</b>
Grand Total:			<b>89.45</b>		<b>\$27,919.75</b>

# TAB 16

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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

**AFFIDAVIT OF JONATHAN YANTZI**  
 (sworn June 7, 2021)

I, **Jonathan Yantzi**, of the City of Burlington, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a lawyer at Aird & Berlis LLP, and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP has acted as counsel for 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**”) and continues to do so.

2. Aird & Berlis LLP has prepared statements of account in connection with its fees and disbursements as follows:
  - (a) an account dated January 31, 2021 for the period from December 6, 2020 to December 29, 2020 in the amount of \$11,318.58, inclusive of HST and disbursements;
  - (b) an account dated February 18, 2021 for the period from January 4, 2021 to January 31, 2021 in the amount of \$16,403.65, inclusive of HST and disbursements;
  - (c) an account dated March 25, 2021 for the period from February 1, 2021 to February 27, 2021 in the amount of \$16,596.17, inclusive of HST and disbursements;
  - (d) an account dated April 30, 2021 for the period from March 1, 2021 to March 31, 2021 in the amount of \$4,250.50, inclusive of HST and disbursements; and
  - (e) an account dated May 31, 2021 for the period from April 5, 2021 to May 28, 2021 in the amount of \$9,788.02, inclusive of HST and disbursements

(collectively, the “**Statements of Account**”).
3. Attached hereto and marked as **Exhibit “A”** to this my affidavit are copies of the Statements of Account, which total \$58,356.92, along with a breakdown of timekeepers who have worked on this file. The average hourly rate is \$570.89.

4. This Affidavit is made in support of a motion to, *inter alia*, approve the attached account of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose.

**SWORN** remotely by Jonathan Yantzi )  
stated as being located at the City of )  
Burlington in the Province of Ontario, )  
before me at the City of Toronto in the )  
Province of Ontario, on June 7, 2021, in )  
accordance with O. Reg 431/20, )  
Administering Oath or Declaration )  
Remotely. )

Kinnie O'Flinn

A COMMISSIONER, ETC.  
Tamie Dolny

Jonathan W. V. Yontzi

## Jonathan Yantzi

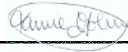
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF JONATHAN YANTZI

Sworn before me

This 7th day of June, 2021

A handwritten signature in blue ink, appearing to read "Tamie Dolny", is positioned above a horizontal line.

Tamie Dolny

Commissioner for taking Affidavits, etc.



**REMIT TO:**

Aird & Berlis LLP  
 Brookfield Place, 181 Bay Street, Suite 1800  
 Toronto, Ontario, Canada M5J 2T9  
 T 416.863.1500  
 F 416.863.1515  
 airdberlis.com

msi Spergel inc.

File No.: 13225-155423

Client No.: 13225

Matter No.: 155423

Invoice No.: 695452

Date: January 31, 2021

**REMITTANCE SLIP**

Total Fees	\$9,518.50
Total Taxable Disbursements	\$497.94
Total HST	\$1,302.14
	<hr/>
<b>AMOUNT TO BE PAID</b>	<b><u><u>\$11,318.58</u></u></b>

**PLEASE REMIT WITH PAYMENT IN CANADIAN FUNDS**

This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

<b>AIRD BERLIS</b>
--------------------

Brookfield Place, 181 Bay Street, Suite 1800  
 Toronto, Ontario, Canada M5J 2T9  
 T 416.863.1500 F 416.863.1515  
 airdberlis.com

msi Spergel inc.  
 200-505 Consumers Road  
 North York, ON  
 M2J 4V8

Attention: Mr. Philip H. Gennis

**Invoice No.: 695452**

PLEASE WRITE INVOICE NUMBERS  
 ON THE BACK OF ALL CHEQUES  
 File No.: 13225/155423  
 Client No.: 13225  
 Matter No.:155423

January 31, 2021

---

**Re: Noble House Development Corporation**

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended December 31, 2020

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	06/12/20	0.70	\$472.50	Review responding materials from Z. Khan and D. Wyjad; Telephone call client and email to D. Wyjad
SPM	11/12/20	0.30	\$202.50	Telephone call S. Dar and email to S. Dar and client re closing
RTH	14/12/20	0.10	\$72.50	Email from S. Mitra; Email from purchaser's counsel
SPM	14/12/20	0.30	\$202.50	Email exchange with S. Dar re name of purchaser and counsel for purchaser
SPM	15/12/20	0.80	\$540.00	Email exchange with R. Das; Review and revise draft notice of motion and Order and email exchange with client re motion record
JTN	15/12/20	0.40	\$174.00	Email exchange with P. Gennis re unanswered information requests re R. Jarvis; Retrieve and provide same; Telephone call with P. Gennis re same; Receipt and review of email from R. Das
SPM	16/12/20	0.50	\$337.50	Telephone calls A. Melfi and P. Gennis re records; Email exchange with client and R. Das and A. Melfi re identity of accountants

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	16/12/20	0.30	\$130.50	Email exchanges with A. Melfi and R. Das; Receipt and review of email from client re draft report; Telephone call with S. Mitra re same and related matters re service of materials
SPM	17/12/20	0.20	\$135.00	Review email from counsel to Lloyds and email to client
JTN	17/12/20	1.00	\$435.00	Engaged with drafting of factum
RTH	18/12/20	0.20	\$145.00	Email from purchaser's counsel; Email from S. Mitra; Email from J. Nemers re PINS
SPM	18/12/20	3.00	\$2,025.00	Attend to provide comments on draft report and email exchange with client and telephone call client re motion; Review email from S. Dar and email exchange with client re lease evidence; Email to A. Melfi; Review email from R. Das and report to client with name of bookkeeper
JTN	18/12/20	2.40	\$1,044.00	Engaged with review of, revisions to and further drafting of draft report; Email exchanges with working group; Attend to related matters
JTN	19/12/20	0.10	\$43.50	Telephone call with P. Gennis re draft report
JTN	20/12/20	0.30	\$130.50	Telephone call and multiple email exchanges with client re draft report
SPM	21/12/20	0.80	\$540.00	Review revisions to draft report and telephone call J. Nemers; Arrange for service of the record; Email exchange with D. Wyjad
JTN	21/12/20	4.20	\$1,827.00	Engaged with further review of and revisions to draft report, draft fee affidavit, draft notice of motion draft ancillary order and draft AVO; Coordinate same with client, J. Yantzi and C. Doyle; Telephone call with S. Mitra re service list; Coordinate same with C. Doyle; Telephone calls and email exchanges with client; Engaged with review of and revisions to compiled motion record; Attend to matters re service of same
JWVY	21/12/20	0.30	\$97.50	Review affidavit; Prepare affidavit; Attend to swearing of affidavit
RTH	22/12/20	0.10	\$72.50	Email from P. Gennis re o/s taxes; Email to P. Gennis

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	22/12/20	0.10	\$43.50	Email to R. Hooke re address for service re P.O. Box recipient
RTH	23/12/20	0.30	\$217.50	Email to J. Nemers
JTN	23/12/20	0.30	\$130.50	Email exchange with R. Hooke re service address re subordinate mortgagee; Telephone call with S. Mitra re same, draft factum and status update
PLW	23/12/20	0.40	\$80.00	Submitted Motion Record online for January 11, 2021
SPM	29/12/20	0.30	\$202.50	Email exchange with opposing counsel and telephone call opposing counsel and report to client
JTN	29/12/20	0.50	\$217.50	Engaged with drafting of letter to C. Wallace and S. Wallace re notice of motion re January 11 hearing; Arrange for issuance of same and attend to related tasks; Receipt and review of emails from Z. Khan and A. Melfi

<b>TOTAL:</b>	17.90	\$9,518.50
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<b>OUR FEE</b>	\$9,518.50
HST at 13%	\$1,237.41

**DISBURSEMENTS**

**Subject to HST**

Deliveries	\$403.94
Subsearch-Conveyancer	\$85.00
Teraview Search	\$9.00
<b>Total Disbursements</b>	<b>\$497.94</b>
HST at 13%	\$64.73

<b>AMOUNT NOW DUE</b>	<b>\$11,318.58</b>
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THIS IS OUR ACCOUNT HEREIN  
Aird & Berlis LLP



Sanjeev P. Mitra

E.&O.E.

**PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT**

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

43138918.1



**REMIT TO:**

Aird & Berlis LLP  
 Brookfield Place, 181 Bay Street, Suite 1800  
 Toronto, Ontario, Canada M5J 2T9  
 T 416.863.1500  
 F 416.863.1515  
 airdberlis.com

msi Spergel inc.

File No.: 13225-155423

Client No.: 13225

Matter No.: 155423

Invoice No.: 698359

Date: February 18, 2021

**REMITTANCE SLIP**

Total Fees	\$12,557.50
Total Non-Taxable Disbursements	\$320.00
Total Taxable Disbursements	\$1,675.81
Total HST	\$1,850.34
	<hr/>
<b>AMOUNT TO BE PAID</b>	<b><u><u>\$16,403.65</u></u></b>

**PLEASE REMIT WITH PAYMENT IN CANADIAN FUNDS**

This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

<b>AIRD BERLIS</b>
--------------------

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 Toronto, Ontario, Canada M5J 2T9  
 T 416.863.1500 F 416.863.1515  
 airdberlis.com

msi Spergel inc.  
 200-505 Consumers Road  
 North York, ON  
 M2J 4V8

Attention: Mr. Philip H. Gennis

**Invoice No.: 698359**

PLEASE WRITE INVOICE NUMBERS  
 ON THE BACK OF ALL CHEQUES  
 File No.: 13225/155423  
 Client No.: 13225  
 Matter No.: 155423

February 18, 2021

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**Re: Noble House Development Corporation**

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended January 31, 2021.

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	04/01/21	0.50	\$347.50	Attend to provide comments on draft factum
JTN	04/01/21	1.70	\$807.50	Engaged with further drafting of factum; Email exchanges with client; Telephone call with S. Mitra; Receipt and review of email from A. Melfi
SPM	05/01/21	0.80	\$556.00	Email exchange and telephone calls client and opposing counsel re motion and position of mortgagee on motion; provide comments on draft factum
JTN	05/01/21	1.10	\$522.50	Receipt and review of email and appraisal from Z. Khan; Consider same; Engaged with revisions to, finalization of and service of factum; Receipt and review of further email from Z. Khan; Email exchanges with client and S. Mitra re response thereto
SPM	06/01/21	0.70	\$486.50	Review responding materials from Z. Khan and D. Wyjad; Telephone call client and email to D. Wyjad
JTN	06/01/21	0.50	\$237.50	Receipt and review of responding affidavit of G. Luongo; Consider same; Receipt and review of responding affidavit of J. Jarvis; Consider same; Email exchanges re same



LAWYER	DATE	TIME	VALUE	DESCRIPTION
PLW	06/01/21	0.40	\$90.00	Submitted Factum for filing online
RTH	07/01/21	0.30	\$225.00	Emails from S. Mitra, J. Nemers; Revise AVO
SPM	07/01/21	2.40	\$1,668.00	Telephone call A. Melfi and report to client regarding resolution of records; Telephone call Canadian Western Bank; Provide comments on draft Order; Review email from A. Melfi and email to client with revisions to proposed changes to draft Order; Telephone call D. Macera of Canadian Western Trust; Arrange for revisions to draft Order; Provide comments on supplementary report and service and filing of same; Email exchange and telephone call A. Melfi; Email exchange with A. Melfi to resolve issue of records
JTN	07/01/21	1.20	\$570.00	Email exchanges with client and telephone calls and email exchanges with S. Mitra; Engaged with revisions to draft AVO; Engaged with revisions to draft ancillary order; Engaged with preparation of Schedule "C" to draft ancillary order; Email to A. Melfi; Attend to related matters
AM	08/01/21	0.40	\$118.00	Research to note up cases for J. Nemers
SPM	08/01/21	0.40	\$278.00	Email exchange with counsel for Lloyds and telephone call counsel for Lloyds to finalize settlement of records issue; Telephone call T. Hogan
JTN	08/01/21	1.50	\$712.50	Engaged with review of supplementary motion record for service and filing; Email exchanges with A. Melfi and S. Mitra; Engaged with further revisions to draft ancillary order; Attend to matters re case law review for Monday's hearing; Attend to related matters
LN	08/01/21	0.20	\$48.00	Email from S. Mitra's assistant C. Doyle re: removal and addition of subfolders in Sync link; Removal of requested subfolders and docs; Addition of requested subfolders; Email to C. Doyle re: same.
PLW	08/01/21	0.40	\$90.00	Submitted Supplementary Motion Record for filing online
SPM	10/01/21	2.00	\$1,390.00	Prepare for approval motion

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	10/01/21	0.30	\$142.50	Email exchanges with working group and court re tomorrow's hearing; Telephone call with P. Gennis re same
RTH	11/01/21	0.10	\$75.00	Email from S. Mitra; Telephone call to S. Mitra; Email from client
SPM	11/01/21	2.20	\$1,529.00	Email exchange with D. Wyjad regarding motion; Email exchange with T. Hogan re confidential appendix; Finalize preparation and attend motion; Email to S. Dar and client; Email exchange re discharge of Order from Additional Muskoka properties
JTN	11/01/21	1.20	\$570.00	Attend at hearing; Finalize orders; Email exchange with His Honour re same
RTH	12/01/21	1.30	\$975.00	Telephone call from S. Mitra; Telephone call from P. Gennis; Subsearch property re missing unit; Telephone call to S. Mitra
SPM	12/01/21	0.40	\$278.00	Telephone call client re additional unit on second floor and email exchange with client and R. Hooke
SPM	15/01/21	0.70	\$486.50	Email exchange with client re overholding tenant and strategy; email exchange with A. Melfi and telephone call A. Melfi and client
JTN	15/01/21	0.10	\$47.50	Email exchange with A. Melfi re records
JTN	16/01/21	0.10	\$47.50	Email exchange with client
JTN	19/01/21	0.10	\$47.50	Receipt and review of email from A. Melfi re remaining boxes
JTN	20/01/21	0.10	\$47.50	Email exchange with A. Melfi
JTN	28/01/21	0.10	\$47.50	Receipt and review of emails re requests re 14 Manitoba Street
SPM	31/01/21	0.10	\$69.50	Email to . Hooke re status of closing
JTN	31/01/21	0.10	\$47.50	Email exchange with S. Mitra and R. Hooke re closing
<b>TOTAL:</b>		21.40	\$12,557.50	

<b>OUR FEE</b>	\$12,557.50
HST at 13%	\$1,632.48

**DISBURSEMENTS**

**COST INCURRED ON YOUR BEHALF AS AN AGENT**

<b>Subject to HST</b>	Notice of Motion/Application	\$320.00
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Photocopies	\$689.50
Deliveries	\$691.16
Binding and Tabs	\$116.25
Subsearch-Conveyancer	\$90.00
Teraview Search	\$88.90

Total Disbursements	\$1,675.81
HST at 13%	\$217.86

**AMOUNT NOW DUE**

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**\$16,403.65**

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THIS IS OUR ACCOUNT HEREIN  
Aird & Berlis LLP



Sanjeev P. Mitra

E.&O.E.

**PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT**

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.



**REMIT TO:**

Aird & Berlis LLP  
 Brookfield Place, 181 Bay Street, Suite 1800  
 Toronto, Ontario, Canada M5J 2T9  
 T 416.863.1500  
 F 416.863.1515  
 airdberlis.com

msi Spergel inc.

File No.: 13225-155423

Client No.: 13225

Matter No.: 155423

Invoice No.: 701152

Date: March 25, 2021

**REMITTANCE SLIP**

Total Fees	\$13,519.00
Total Non-Taxable Disbursements	\$15.00
Total Taxable Disbursements	\$1,154.60
Total HST	\$1,907.57
	<hr/>
<b>AMOUNT TO BE PAID</b>	<b><u><u>\$16,596.17</u></u></b>

**PLEASE REMIT WITH PAYMENT IN CANADIAN FUNDS**

This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

<b>AIRD BERLIS</b>
--------------------

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 Toronto, Ontario, Canada M5J 2T9  
 T 416.863.1500 F 416.863.1515  
 airdberlis.com

msi Spergel inc.  
 200-505 Consumers Road  
 North York, ON  
 M2J 4V8

Attention: Mr. Philip H. Gennis

**Invoice No.: 701152**

PLEASE WRITE INVOICE NUMBERS  
 ON THE BACK OF ALL CHEQUES  
 File No.: 13225/155423  
 Client No.: 13225  
 Matter No.: 155423

March 25, 2021

**Re: Noble House Development Corporation**

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended February 28, 2021.

LAWYER	DATE	TIME	VALUE	DESCRIPTION
RTH	01/02/21	1.20	\$900.00	Email from S. Mitra; Draft closing documents
JTN	02/02/21	0.10	\$47.50	Receipt and review of email from client re HST-related issues
RTH	03/02/21	1.20	\$900.00	Review and revise closing documents; Email to purchaser's counsel; Telephone call to P. Gennis; Telephone call to purchaser's counsel; Email from S. Mitra
SPM	03/02/21	0.50	\$347.50	Email exchange with R. Hooke re status of closing and strategy
JTN	03/02/21	0.10	\$47.50	Receipt and review of emails from T. Hogan, client and R. Hooke re status of CRA amounts and closing-related matters
RTH	04/02/21	0.30	\$225.00	Emails from purchaser's counsel; Emails to purchaser's counsel re closing documents; Email from P. Gennis
JTN	04/02/21	0.10	\$47.50	Receipt and review of status update from R. Hooke re closing
RTH	05/02/21	0.60	\$450.00	Email from purchaser's counsel; Prepare extension letter; Telephone call to client; Email to client

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	07/02/21	0.10	\$47.50	Email exchange with T. Hogan
RTH	08/02/21	0.60	\$450.00	Review and revise adjustments; Email to P. Gennis
JTN	08/02/21	0.10	\$47.50	Email exchange with client re service list
RTH	09/02/21	1.30	\$975.00	Conference call with P. Gennis and Frieda re adjustments; Telephone call to purchaser's counsel re elevator contract; Draft assignment of lease, notice to tenants; Email to purchaser's counsel; Email from P. Gennis re elevator contract
SPM	09/02/21	0.30	\$208.50	Email exchange with Z. Khan re date of closing of sale transaction; Email exchange with P. Gennis and T. Hogan re call
SPM	09/02/21	0.50	\$347.50	Telephone call T. Hogan and client re status and allocation issues
JTN	09/02/21	0.80	\$380.00	Email exchange with Z. Khan; Attend on conference call with client and T. Hogan
RTH	10/02/21	0.50	\$375.00	Email from P. Gennis
JTN	10/02/21	0.20	\$95.00	Telephone call with M. McDonald re closing-related matters
GP	10/02/21	1.00	\$250.00	Review vesting order
RTH	11/02/21	0.80	\$600.00	Emails to P. Gennis; Email to elevator contractor; Email to P. Gennis; Telephone call to purchaser's counsel; email to purchaser's counsel
SPM	11/02/21	0.20	\$139.00	Email exchange with D. Epstein and client re additional property
JTN	11/02/21	0.20	\$95.00	Receipt and review of notice of sale re 14 Manitoba Street and emails from T. Hogan and P. Gennis re same; Receipt and review of email from D. Epstein re 430 Couchiching Road
RTH	12/02/21	2.50	\$1,875.00	Engaged re closing and post closing issues
SPM	12/02/21	0.70	\$486.50	Telephone call and email exchange with A. Melfi, R. Hooke re removal of CPL for closing; Email exchange with client and R. Hooke re closing issues

LAWYER	DATE	TIME	VALUE	DESCRIPTION
SPM	12/02/21	0.50	\$347.50	Telephone call D. Epstein re Mariposa interest for Noble and report to client
JTN	12/02/21	0.50	\$237.50	Email exchanges with working group re today's closing; Telephone calls with S. Mitra re CPL; Attend to related tasks as needed
RTH	16/02/21	0.30	\$225.00	Attend to wire; Emails to client
JTN	16/02/21	0.10	\$47.50	Email exchange with Z. Khan
RTH	17/02/21	0.30	\$225.00	Email from elevator one; Email to purchaser's counsel; Email to purchaser's counsel
JTN	17/02/21	0.20	\$95.00	Telephone call with S. Mitra re next steps and related matters
RTH	19/02/21	0.10	\$75.00	Email from N. Gates
SPM	21/02/21	0.20	\$139.00	Email exchange with P. Gennis
RTH	22/02/21	0.30	\$225.00	Email from P. Gennis; Email to P. Gennis re adjustments; Emails from S. Mitra; Email to S. Mitra re funds
SPM	22/02/21	0.20	\$139.00	Telephone call P. Gennis re report
JTN	22/02/21	0.10	\$47.50	Receipt and review of emails from P. Gennis
JTN	23/02/21	1.60	\$760.00	Email to client re draft report and related matters; Engaged with drafting of Second Report
JTN	24/02/21	0.10	\$47.50	Email to client re distribution-related matters
SPM	25/02/21	0.70	\$486.50	Telephone call P. Gennis re draft report; Email exchange with H. Manis and telephone call client
JTN	25/02/21	0.20	\$95.00	Telephone call with S. Mitra re draft report and related matters
SPM	26/02/21	0.40	\$278.00	Telephone call with H. Manis
JTN	27/02/21	1.50	\$712.50	Engaged with drafting of two security opinions
<b>TOTAL:</b>		21.20	\$13,519.00	



<b>OUR FEE</b>	\$13,519.00
HST at 13%	\$1,757.47

**DISBURSEMENTS**

**COST INCURRED ON YOUR BEHALF AS AN AGENT**

<b>Subject to HST</b>	Wire Charges	\$15.00
	Tax Certificate	\$62.00
	Teraview Search	\$52.85
	Imaging/Scanning	\$0.50
	Deliveries	\$21.95
	Closing - Sale - Conveyancer	\$180.00
	Reproduction Services	\$837.30
	Total Disbursements	\$1,154.60
	HST at 13%	\$150.10

**AMOUNT NOW DUE**

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**\$16,596.17**

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THIS IS OUR ACCOUNT HEREIN  
Aird & Berlis LLP



Sanjeev P. Mitra

E.&O.E.

**PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT**

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.



**REMIT TO:**

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 Toronto, Ontario, Canada M5J 2T9  
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 F 416.863.1515  
 airdberlis.com

msi Spergel inc.

File No.: 13225-155423

Client No.: 13225

Matter No.: 155423

Invoice No.: 704475

Date: April 30, 2021

**REMITTANCE SLIP**

Total Fees	\$3,635.50
Total Taxable Disbursements	\$126.00
Total HST	\$489.00
	<hr/>
<b>AMOUNT TO BE PAID</b>	<b><u><u>\$4,250.50</u></u></b>

**PLEASE REMIT WITH PAYMENT IN CANADIAN FUNDS**

This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

<b>AIRD BERLIS</b>
--------------------

Brookfield Place, 181 Bay Street, Suite 1800  
 Toronto, Ontario, Canada M5J 2T9  
 T 416.863.1500 F 416.863.1515  
 airdberlis.com

msi Spergel inc.  
 200-505 Consumers Road  
 North York, ON  
 M2J 4V8

Attention: Mr. Philip H. Gennis

**Invoice No.: 704475**

PLEASE WRITE INVOICE NUMBERS  
 ON THE BACK OF ALL CHEQUES  
 File No.: 13225/155423  
 Client No.: 13225  
 Matter No.: 155423

April 30, 2021

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**Re: Noble House Development Corporation**

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended March 31, 2021

LAWYER	DATE	TIME	VALUE	DESCRIPTION
BWC	01/03/21	0.20	\$95.00	Telephone call with J. Nemers re construction lien action, temporary suspension of limitation periods and setting action down for trial
JTN	01/03/21	1.40	\$665.00	Engaged with high-level review of priority matters re 15 units; Telephone call with B. Chung; Engaged with drafting and issuance of lengthy email to client re same
RTH	02/03/21	0.40	\$300.00	Email from Alex M.; Email to purchaser's counsel; Email from purchaser's counsel re elevator contract; Email to purchaser's counsel
JTN	02/03/21	0.60	\$285.00	Engaged with drafting of Discharge Order
JTN	03/03/21	1.00	\$475.00	Engaged with drafting of notice of motion re distribution and discharge motion; Telephone calls with P. Gennis
JTN	04/03/21	0.50	\$237.50	Telephone call with S. Mitra; Telephone call with P. Gennis
JTN	09/03/21	0.10	\$47.50	Email exchange with client and T. Hogan re status
SPM	10/03/21	0.20	\$139.00	Email exchange with H. Manis and telephone call client

LAWYER	DATE	TIME	VALUE	DESCRIPTION
RTH	15/03/21	0.20	\$150.00	Email from purchaser's counsel re vesting order registration issues; Email to purchaser's counsel
SPM	24/03/21	0.30	\$208.50	Email exchange with client and counsel for stakeholders with copies of the APA and emails
JTN	24/03/21	0.20	\$95.00	Receipt and review of emails from T. Hogan, H. Manis and S. Mitra; Telephone call with S. Mitra re same
JTN	25/03/21	0.10	\$47.50	Email exchange with client and S. Mitra re allocation dispute between T. Hogan's client and H. Manis' client
RTH	30/03/21	0.40	\$300.00	Telephone call from P. Gennis; Arrange subsearch; Email to P. Gennis
JEM	30/03/21	0.20	\$53.00	Order, review and report on profiles
SPM	30/03/21	0.50	\$347.50	Email exchange with client and telephone call client re strategy with 161 Ontario limited; arrange for searches
JTN	30/03/21	0.30	\$142.50	Email exchanges with client re today's developments; Consider same
JTN	31/03/21	0.10	\$47.50	Receipt and review of email from P. Gennis re developments re R. Jarvis
<b>TOTAL:</b>		<hr/> 6.70	<hr/> \$3,635.50	

<b>OUR FEE</b>	\$3,635.50
HST at 13%	\$472.62

**DISBURSEMENTS**

**Subject to HST**

Subsearch-Conveyancer	\$90.00
Corporate Search	\$36.00

Total Disbursements	\$126.00
HST at 13%	\$16.38

<b>AMOUNT NOW DUE</b>	<hr/> <b>\$4,250.50</b> <hr/>
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THIS IS OUR ACCOUNT HEREIN  
Aird & Berlis LLP



Sanjeev P. Mitra

E.&O.E.

**PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT**

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.



**REMIT TO:**

Aird & Berlis LLP  
 Brookfield Place, 181 Bay Street, Suite 1800  
 Toronto, Ontario, Canada M5J 2T9  
 T 416.863.1500  
 F 416.863.1515  
 airdberlis.com

msi Spergel inc.

File No.: 13225-155423

Client No.: 13225

Matter No.: 155423

Invoice No.: 707761

Date: May 31, 2021

**REMITTANCE SLIP**

Total Fees	\$8,310.43
Total Non-Taxable Disbursements	\$145.30
Total Taxable Disbursements	\$222.95
Total HST	\$1,109.34
	<hr/>
<b>AMOUNT TO BE PAID</b>	<b><u><u>\$9,788.02</u></u></b>

**PLEASE REMIT WITH PAYMENT IN CANADIAN FUNDS**

This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.



<b>AIRD BERLIS</b>
--------------------

Brookfield Place, 181 Bay Street, Suite 1800  
 Toronto, Ontario, Canada M5J 2T9  
 T 416.863.1500 F 416.863.1515  
 airdberlis.com

msi Spergel inc.  
 200-505 Consumers Road  
 North York, ON  
 M2J 4V8

Attention: Mr. Philip H. Gennis

**Invoice No.: 707761**

PLEASE WRITE INVOICE NUMBERS  
 ON THE BACK OF ALL CHEQUES  
 File No.: 13225/155423  
 Client No.: 13225  
 Matter No.: 155423

May 31, 2021

---

**Re: Noble House Development Corporation**

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended May 28, 2021

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	05/04/21	0.10	\$46.78	Receipt and review of status update email from P. Gennis
JTN	09/04/21	0.10	\$46.78	Receipt and review of status update email from T. Hogan
SPM	12/04/21	0.20	\$136.89	Email exchange with client re claim re shares
SPM	12/04/21	0.20	\$136.89	Email exchange with client re claim re shares
JTN	12/04/21	0.10	\$46.78	Email to client re Beaver Ridge property
JTN	21/04/21	0.20	\$93.56	Email exchange with M. Vine re distribution-related matters; Consider analysis prepared by same
SPM	26/04/21	0.20	\$136.89	Review and respond to email from T. Hogan re resolution of claims against units 7 and 8 by debtor
IL	28/04/21	0.50	\$155.11	Receive and review emails and M. McDonald's instructions re deletion of court order; Prepare E-Reg Application
MGM	28/04/21	0.60	\$265.90	Emails with 191 Ontario Street owner's counsel re pending transaction; Provide instruction to I Li re deletion of order from title;

LAWYER	DATE	TIME	VALUE	DESCRIPTION
				Discuss same with J Nemers in context of larger receivership
SPM	28/04/21	0.50	\$342.23	Telephone call and email exchange with T. Hogan and H. Manis
JTN	28/04/21	0.30	\$140.34	Receipt and review of letter from purchaser's counsel re 191 Ontario; Email exchange and telephone call with M. McDonald re discharge of receivership order from title per relief obtained regarding this property and others at last court attendance
MGM	29/04/21	0.80	\$354.54	Emails with 191 Ontario Street, Burke's Falls counsel re deletion of appointing order from title; Review and finalize registration and register same; Ongoing emails with owner's counsel re providing comfort to purchaser
JTN	29/04/21	0.10	\$46.78	Telephone call with M. McDonald
SPM	04/05/21	0.20	\$136.89	Review email from Z. Khan and email exchange with client
JTN	04/05/21	0.20	\$93.56	Receipt and review of email from Z. Khan re distribution motion; Email exchanges with client and S. Mitra re same
SPM	05/05/21	0.20	\$136.89	Email to counsel to schedule motion
JTN	05/05/21	0.10	\$46.78	Telephone call with S. Mitra and email to Z. Khan
SPM	06/05/21	0.30	\$205.34	Email exchange with counsel for secured creditors
JTN	06/05/21	0.10	\$46.78	Receipt and review of emails with secured creditor group and client
MGM	07/05/21	0.40	\$177.27	Discussion with J Nemers re 89 Ontario Street address and possible additional property; Conduct free preliminary searches on Teraview
JTN	07/05/21	0.30	\$140.34	Email exchange with P. Gennis re 89 Ontario Street; Telephone call with M. McDonald re same
JTN	08/05/21	0.30	\$140.34	Receipt and review of email from P. Gennis re 15 Crescent Road; Engaged with research re same

LAWYER	DATE	TIME	VALUE	DESCRIPTION
MGM	10/05/21	0.70	\$310.22	Discussions with J Nemers re 15 Crescent Road property; Conduct Teraview searches; Update client
JTN	10/05/21	0.40	\$187.12	Telephone calls with M. McDonald re 15 Crescent Road; Email exchange with M. McDonald and client re same
SPM	12/05/21	0.20	\$136.89	[A107] Communicate/Other Outside Counsel - email exchange with counsel for mortgagees and client re timing for motion
JTN	12/05/21	0.10	\$46.78	Email exchanges with creditor group re motion and related matters
JTN	13/05/21	0.20	\$93.56	Email exchanges with creditor group; Telephone call with S. Mitra
JTN	17/05/21	0.10	\$46.78	Receipt and review of further emails amongst creditors' counsel
SPM	18/05/21	0.20	\$136.89	Email exchange with counsel re scheduling of motion
JTN	18/05/21	0.10	\$46.78	Receipt and review of email from Z. Khan
SPM	19/05/21	0.20	\$136.89	Email exchange with counsel re scheduling of motion
JTN	19/05/21	0.10	\$46.78	Email exchange with creditors' counsel re Court timing and related matters
SPM	20/05/21	0.40	\$273.78	Arrange for Court date and email exchange with counsel to secured creditors
JTN	20/05/21	0.10	\$46.78	Email exchanges with working group re Court date
SPM	21/05/21	0.20	\$136.89	Email exchange with Court re scheduling hearing
JTN	21/05/21	0.60	\$280.67	Arrange time with Court office re scheduling hearing; Submit hearing request form; Arrange for Zoom coordinates and issue invite re same; Telephone call with S. Mitra re same; Attend to related matters
SPM	25/05/21	0.70	\$479.12	Prepare and attend hearing with Court to schedule motion and report to client

LAWYER	DATE	TIME	VALUE	DESCRIPTION
JTN	25/05/21	0.50	\$233.90	Attend to Zoom-related matters re today's hearing; Telephone call with S. Mitra re next steps
SPM	26/05/21	0.20	\$136.89	Email exchange with Court and client re endorsement from Court and steps to be taken
JTN	26/05/21	2.20	\$1,029.14	Receipt and review of His Honour's endorsement from yesterday's attendance; Engaged with further drafting of and revisions to draft report; Email exchange with client; Attend to related matters
SPM	27/05/21	0.40	\$273.78	Review draft report and telephone call J. Nemers
SRM	27/05/21	0.20	\$77.80	Order updated profiles and PPSA searches
JTN	27/05/21	1.80	\$842.02	Engaged with further drafting of and revisions to draft report; Instruct S. Morris re searches re security opinions; Email to and telephone call with S. Mitra; Email to client; Attend to related matters
JTN	28/05/21	0.40	\$187.12	Engaged with updates to security opinions
JS	28/05/21	0.30	\$50.19	Review and report on updated profiles and verbal PPSA searches; Review and report on certified PPSA searches

<b>TOTAL:</b>	<hr/>	16.30	\$8,310.43
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<b>OUR FEE</b>	\$8,310.43
HST at 13%	\$1,080.36

**DISBURSEMENTS**

**COST INCURRED ON YOUR BEHALF AS AN AGENT**

Teranet	\$65.30
Search Under P.P.S.A.	\$80.00

Total Agency Costs	\$145.30
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**Subject to HST**

Teraview Search	\$113.05
Service Fee Teranet	\$10.90
Service Provider Fee	\$45.00
Corporate Search	\$54.00

Total Disbursements  
HST at 13%

\$222.95  
\$28.98

**AMOUNT NOW DUE**

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**\$9,788.02**

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THIS IS OUR ACCOUNT HEREIN  
Aird & Berlis LLP



Sanjeev P. Mitra

E.&O.E.

**PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT**

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 2.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.



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

**SUMMARY OF TIME INCURRED**

NAME	YEAR OF CALL	HOURS	RATE	VALUE
S.P. Mitra	1996	26.60	689.81	18,349.00
R. T. Hooke	1989	13.40	748.69	10,032.50
J.T. Nemers	2014	36.50	464.48	16,953.50
M.G. McDonald	2016	2.50	450.00	1,125.00
B.W. Chung	2014	0.20	475.00	95.00
J. Yantzi	2019	0.30	325.00	97.50
<b>LAW CLERKS</b>				
S.R. Morris		0.20	395.00	79.00
L. Nguyen		0.20	225.00	45.00
P. Williams		1.20	216.67	260.00
J.E. McLean		0.40	295.00	118.00
L. Nguyen		0.20	240.00	48.00
I. Li		0.50	315.00	157.50
<b>CONVEYANCER</b>				
G. Pietropaolo		1.0	250.00	250.00
<b>LEGAL ASSISTANT</b>				
J. Stonehouse		0.3	325.00	97.50
<b>ARTICLING STUDENT</b>				
A. McLeod		0.4	295.00	118.00

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceedings commenced at Toronto

**AFFIDAVIT OF JONATHAN YANTZI**  
(sworn June 7, 2021)

**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  
E-mail: [smitra@airdberlis.com](mailto:smitra@airdberlis.com)

**Jeremy Nemers (LSO # 66410Q)**  
Tel: (416) 865-7724  
Fax: (416) 863-1515  
Email: [jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)  
*Lawyers for the Receiver*



# TAB 17

District of            Ontario  
 Division            09-Toronto  
 Court No.            CV-20-00635946-00CL

**In the Matter of the Receivership of  
 Noble House Development Corporation, 2307400 Ontario Inc. and 2209326  
 Ontario Ltd.**

Receiver's Interim Statement of Receipts and Disbursements  
 as at May 28, 2021

**Total**

**RECEIPTS**

Sale of land and building	2,567,487.60
Advance from secure lender	110,000.00
Rental income	142,600.59
HST collected	18,395.18
Interest earned	2,439.84
	<hr/>

**TOTAL RECEIPTS**

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2,840,923.21

**DISBURSEMENTS**

Fees paid to the Official Receiver	210.00
Ascend licensing fees	275.00
HST paid on disbursements	34,514.71
HST paid on legal fees	5,277.97
Appraisal fees	8,000.00
Receiver's fees and costs	116,389.50
Insurance	42,337.08
PPSA and other searches	92.26
Bank charges	26.00
Legal fees and disbursements	40,859.65
Travel / Mileage	2,376.20
Change of locks	1,091.45
Utilities	57,052.63
Sales commission	142,500.00
Courier	289.39
HST on Receiver's fees	15,130.64
Repairs & maintenance	15,590.20
Environmental consultant fee	25,725.00
Building inspection report	4,650.00
	<hr/>

**TOTAL DISBURSEMENTS**

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512,387.68

**Net Receipts over Disbursements**

\$ 2,328,535.53

E&OE

# TAB E

**SERVICE LIST**  
**“SCHEDULE A”**  
**(Current as of June 8, 2021)**

**BY EMAIL**

<b>TO:</b>	<p><b>MSI SPERGEL INC.</b>  505 Consumers Road., Suite 200  Toronto, ON M2J 4V8</p> <p><b>Philip H. Gennis</b>  Tel: (416) 498-4325  Fax: (416) 498-4325  Email: <a href="mailto:pgennis@spergel.ca">pgennis@spergel.ca</a></p> <p><b>Mukul Manchanda</b>  Tel: (416) 498-4314  Fax: (416) 498-4314  Email: <a href="mailto:mmanchanda@spergel.ca">mmanchanda@spergel.ca</a></p> <p>Receiver</p>
<b>AND TO:</b>	<p><b>AIRD &amp; BERLIS LLP</b>  Brookfield Place,  181 Bay Street, Suite 1800  Toronto, ON M5J 2T9</p> <p><b>Sanjeev Mitra</b>  Tel: (416) 865-3085  Fax: (416) 863-1515  Email: <a href="mailto:smitra@airdberlis.com">smitra@airdberlis.com</a></p> <p><b>Jeremy Nemers</b>  Tel: (416) 865-7724  Fax: (416) 863-1515  Email: <a href="mailto:jnemers@airdberlis.com">jnemers@airdberlis.com</a></p> <p>Lawyers for the Receiver</p>
<b>AND TO:</b>	<p><b>FALLS LAW GROUP</b>  255 Manitoba St.  Bracebridge, ON P1L 1S2</p> <p><b>Jason Herbert</b>  Tel: (705) 645-3007  Fax: (705) 645-3998  Email: <a href="mailto:jay@fallslaw.ca">jay@fallslaw.ca</a></p> <p>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.</p>

<b>AND TO:</b>	<p><b>LIPMAN, ZENER &amp; WAXMAN PC</b> Barristers and Solicitors 100 Sheppard Avenue East, Suite 850 Toronto, ON M2N 6N5</p> <p><b>Ian Klaiman</b> Tel: (416) 789-0658 Fax: (416) 789-9015 Email: <a href="mailto:iklaiman@lzwlaw.com">iklaiman@lzwlaw.com</a></p> <p><b>Jason Spetter</b> Tel: (416) 789-0655 Fax: (416) 789-9015 Email: <a href="mailto:jspetter@lzwlaw.com">jspetter@lzwlaw.com</a></p> <p>Lawyers for the Respondent, BDO Canada Limited</p>
<b>AND TO:</b>	<p><b>HARRISON PENZA LLP</b> Barristers &amp; Solicitors 450 Talbot Street London, ON N6A 5J6</p> <p><b>Timothy C. Hogan</b> Tel: (519) 661-6743 Fax: (519) 667-3362 Email: <a href="mailto:thogan@harrisonpensa.com">thogan@harrisonpensa.com</a></p> <p><b>Robert Danter</b> Tel: (519) 661-6770 Fax: (519) 667-3362 Email: <a href="mailto:rdanter@harrisonpensa.com">rdanter@harrisonpensa.com</a></p> <p>Lawyers for the Applicant, Pace Savings &amp; Credit Union Limited</p>
<b>AND TO:</b>	<p><b>GARDINER ROBERTS LLP</b> Lawyers Bay Adelaide Centre, East Tower 22 Adelaide Street West, Suite 3600 Toronto ON M5H 4E3</p> <p><b>Gavin J. Tighe (34496Q)</b> Tel: (416) 865-6664 Email: <a href="mailto:gitighe@grllp.com">gitighe@grllp.com</a></p> <p><b>Alexander Melfi (64154H)</b> Tel: (416) 865-6712 Email: <a href="mailto:amelfi@grllp.com">amelfi@grllp.com</a></p> <p>Lawyers for Lloyds Underwriters and 3303128 Canada Inc. T/A Alternative Risk Services</p>

<b>AND TO:</b>	<p><b>HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO</b>  <b>as represented by Ministry of Finance</b>  Legal Services Branch  33 King Street West, 6th Floor  Oshawa, ON L1H 8E9</p> <p>Tel: (905) 433-6934  Fax: (905) 436-4510  Email: <a href="mailto:insolvency.unit@ontario.ca">insolvency.unit@ontario.ca</a></p>
<b>AND TO:</b>	<p><b>CANADA REVENUE AGENCY</b>  <b>c/o Department of Justice Ontario Regional Office</b>  120 Adelaide St. W., Suite 400  Toronto, ON M5H 1T1</p> <p><b>Rakhee Bhandari</b>  Tel: (416) 952-8563  Email: <a href="mailto:rakhee.bhandari@justice.gc.ca">rakhee.bhandari@justice.gc.ca</a></p>
<b>AND TO:</b>	<p><b>REAL ESTATE COUNCIL OF ONTARIO</b>  3300 Bloor Street West, Suite 1200, West Tower  Toronto, ON Canada M8X 2X2</p> <p>ALSO SEND AN EMAIL COPY TO:  <a href="mailto:registration@reco.on.ca">registration@reco.on.ca</a></p>
<b>AND TO:</b>	<p><b>LOOPSTRA NIXON</b>  Woodbine Place  135 Queens Plate Drive  Suite 600  Toronto, ON M9W 6V7</p> <p><b>Alison Kutchinsky</b>  Tel: 416-748-4771  Email: <a href="mailto:akuchinsky@loonix.com">akuchinsky@loonix.com</a></p> <p>Lawyers for Dael Thermal Group Inc.</p>
<b>AND TO:</b>	<p><b>BYLD Barristers</b>  141 Adelaide street West, Suite 400  Toronto, ON M5H 3L5</p> <p><b>Ranjan Das</b>  Tel: 416-364-4900 x221  Fax: 416-364-3865  Email: <a href="mailto:rdas@byldlaw.com">rdas@byldlaw.com</a></p> <p><b>Lawyers for Ray Jarvis</b></p>

<b>AND TO:</b>	<b>WYLAW PROFESSIONAL CORPORATION</b> 39 Dominion St. P.O. Box 177 Bracebridge, ON P1L 1T6  <b>Daniel Wyjad</b> Tel: 705-645-8787 Fax: 705-645-3390 Email: <a href="mailto:bracebridge@wylaw.ca">bracebridge@wylaw.ca</a>  Lawyers for John Jarvis
<b>AND TO:</b>	<b>SCOTT LYALL</b> 2277 Queen Street East Toronto, ON M5E 3N4  Email: <a href="mailto:scottyall@sympatico.ca">scottyall@sympatico.ca</a>
<b>AND TO:</b>	<b>REALCORP LAW</b> 32-3075 Ridgeway Drive Mississauga, ON L5L 5M6  Shaffiq Dar <a href="mailto:sdar@real-corp-law.com">sdar@real-corp-law.com</a>  Lawyers for the Purchaser
<b>AND TO:</b>	<b>Rutman &amp; Rutman Professional Corporation</b> 184 Queen Street West Brampton, ON L6X 1A8  <b>Zafir Khan</b> Tel: 905-456-9969 Fax: 905-456-7448 Email: <a href="mailto:zafir@rutmanlaw.com">zafir@rutmanlaw.com</a>  <b>AND</b>  <b>Macdonald Sager Manis LLP</b> 150 York Street, Suite 800 Toronto, ON M5H 3S5  <b>Howard Manis</b> Tel: 416-364-1553 Fax: 416-364-1453 Email: <a href="mailto:hmanis@msmlaw.net">hmanis@msmlaw.net</a>  Lawyers for the Level 2 Creditors

<b>AND TO:</b>	<b>WILLIAM HARVEY JONES, BARRISTER &amp; SOLICITOR</b> 401 Bay Street, Suite 2702 Toronto, ON M5H 2Y4 Email: <a href="mailto:whjones@williamjones.ca">whjones@williamjones.ca</a>  Lawyers for Andrew Turner
----------------	---



**SERVICE LIST  
SCHEDULE "B"  
(Current as of June 8, 2021)**

**BY COURIER**

<b>TO:</b>	<b>RAYMOND JARVIS</b> 65 Main Street West Huntsville, ON P1H 1W9
<b>AND TO:</b>	<b>JOHN JARVIS</b> 14 Glenwood Drive Huntsville, ON P1H 1B8
<b>AND TO:</b>	<b>CANADIAN WESTERN TRUST COMPANY</b> 750 Cambie Street, Suite 300 Vancouver, BC V6B 0A2
<b>AND TO:</b>	<b>MCAP HOLDINGS INC.</b> <b>c/o Canadian Western Trust Company</b> 750 Cambie Street, Suite 300 Vancouver, BC V6B 0A2
<b>AND TO:</b>	<b>THE TOWN OF HUNTSVILLE</b> General Town Hall 37 Main St. East Huntsville, ON P1H 1A1
<b>AND TO:</b>	<b>THE DISTRICT MUNICIPALITY OF MUSKOKA</b> 70 Pine Street Bracebridge, ON P1L 1N3
<b>AND TO:</b>	<b>DEBORAH BRANNAN</b> 845 Wilson Ave., Suite 201 Toronto, ON M3K 1E6
<b>AND TO:</b>	<b>WATER DRAGON HOLDINGS INC.</b> 845 Wilson Ave., Suite 201 Toronto, ON M3K 1E6

<b>AND TO:</b>	<p><b>MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80</b> 3 Crescent Rd Huntsville, ON P1H 1Y3</p> <p>and</p> <p><b>MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80</b> <b>c/o Ain Whitehead LLP</b> 27 Clapperton Street Suite 100A Barrie, ON L4M 3E6</p>
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**PACE SAVINGS & CREDIT UNION LIMITED**

Applicant

-and-

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

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

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