

**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

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## **APPLICATION RECORD**

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February 10, 2020

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TO: **Andrew Turner**  
401 Bay Street, Suite 2828  
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AND

TO: **Dael Thermal Group Inc.**  
50 Airview Road, Unit 17  
Toronto, ON M9W 4P2

AND

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

AND

TO: **MCAP Holdings Inc.**  
c/o Canadian Western Trust Company  
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TO: **Catherine Elizabeth Wallace and  
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TO: **BDO Canada Limited**  
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AND

TO: **Canada Revenue Agency**  
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AND

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

AND

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

AND

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

AND

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

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



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# Tab 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

-and-

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

Respondents

**NOTICE OF APPLICATION**

**APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT,  
RSC 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT,  
R.S.O. 1990, C.C.43**

**TO THE RESPONDENTS:**

**A LEGAL PROCEEDING HAS BEEN COMMENCED** by the Applicant. The claim made by the applicant appears on the following page.

**THIS APPLICATION** will come on for a hearing before a Judge on a date to be set by the Court at 9:30 a.m. hearing at the Court House, 330 University Avenue, Toronto, Ontario.

**IF YOU WISH TO OPPOSE THIS APPLICATION**, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38C prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant do not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

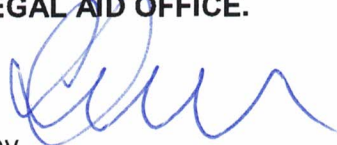
**IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION**, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer, or where the applicant do not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 p.m. on the day before the hearing.

**IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE**

**THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.**

Date: February 7, 2020

Issued by



Registrar  
Superior Court of Justice  
Commercial List  
7th Floor, 330 University  
Avenue, Toronto M5G 1R7

C. Irwin  
Registrar

TO: Service List

## SERVICE LIST

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2209326 Ontario Ltd., and  
Noble House Development Corporation

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505 Consumers Road., Suite 200  
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14 Glenwood Drive  
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TO: **Catherine Elizabeth Wallace and  
Scott William Wallace**  
P.O. Box 5061  
Huntsville, ON P1H 2K5

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TO: **BDO Canada Limited**  
300 Lakeshore Drive, Suite 202  
Barrie, ON L4N 0B4

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

**Attention: Rakhee Bhandari**

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AND

TO: **Her Majesty the Queen in Right of Ontario**  
as represented by Ministry of Finance  
Legal Services Branch  
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Huntsville, ON P1H 1A1

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

AND

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

AND

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

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

## THE APPLICATION IS FOR:

The Applicant, Pace Savings & Credit Union Limited ("**Pace**"), seeks the following relief:

1. An order (the "**Appointment Order**") substantially in the form attached hereto as Schedule "A", *inter alia*, appointing msi Spergel Inc., as Receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of the Respondents, Noble House Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd., (collectively, the "**Debtors**") acquired for, or used in relation to a business or businesses carried on by the Debtors, and of the real property described at Schedule "A" to the Appointment Order;
2. That the time for service, filing and confirming of the Notice of Application and the Application Record be abridged and validated so that this application is properly returnable today and dispensing with further service thereof; and,
3. Such further and other relief as to this Honourable Court may seem just.

## THE GROUNDS FOR THE APPLICATION ARE:

### The Debtor

1. The Respondent Debtors, Noble House Development Corporation ("**Noble House**"), 2307400 Ontario Inc. ("**230 Inc.**"), and 2209326 Ontario Ltd. ("**220 Ltd**"), are companies incorporated pursuant to the laws of the Province of Ontario. Each of the Debtors operate as owners and developers of real property in and around the Town of Huntsville, Ontario. The Debtors also operate Huntsville Heated Mini Storage from the Real Property, as defined below.

2. The Debtors, 230 Inc. and 220 Ltd., are the joint owners of the real property municipally known as 3 Crescent Road, Huntsville, Ontario (the “**Real Property**”), and legally described as:

- a. 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);
- b. 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);
- c. 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);
- d. 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);
- e. 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);

- f. 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);
- g. 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);
- h. 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);
- i. 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);
- j. 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);
- k. 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);

- I. 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);
  - m. 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);
  - n. 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. Raymond (Ray) Jarvis and John Jarvis are each guarantors of the obligations of the Debtors to Pace (collectively, the “**Guarantors**”). Raymond Jarvis is the sole officer and director of each Debtor.
4. The Debtors are insolvent. The Debtors are in default of their obligations to Pace, as a result of, *inter alia*, the following:
- a. The Real Property is encumbered both by a construction lien, and by an order registered under the *Bankruptcy and Insolvency Act*;

- b. The Debtors have failed to pay the Obligations to Pace by November 27, 2019 as required by the Default Letter (each as defined below);
  - c. There are arrears of property tax and utilities owing in relation to the Real Property;
  - d. The Debtors have failed to maintain the Real Property, with respect to the repair/completion of the roof of the Real Property;
  - e. The Debtors' insurance over the Real Property is in "Cancellation Mode" due to non-payment of premiums, and may no longer be valid;
  - f. Failure of the Debtors and Guarantors to provide reporting as required under the Financing;
  - g. The Debtors have failed to make payments of principal and interest on the Financing (as defined below), and are presently in arrears of \$52,891.76 as at February 5, 2020; and,
  - h. The Debtors have failed to maintain the debt service ratio required under the Financing.
5. Pace is unaware of whether the Debtors have any employees.

### **The Real Property**

6. The Real Property comprises approximately 4.1 acres of land, on which the Debtors operate or operated a storage business known as "Huntsville Heated Mini Self-Storage", a two-story condominium building of approximately 7,349 square meters is located on the real property, which was constructed in 1991 and which contains mixed office, industrial, and storage facility usages.

7. Pace holds a first charge over the Real Property in the form of the Pace Mortgage (as defined below).
8. In addition to the Pace Mortgage, there are three (3) additional charge/mortgages registered on title to the Real Property, or certain PINS comprising the Real Property, all of which are subordinate to the Pace Mortgage.
9. The Real Property is encumbered by, *inter alia*, the following additional registrations:
  - a. Caution- Land (Bankruptcy and Insolvency Act) registered by BDO Canada Limited, receipted as instrument no. MT210440 on March 5, 2019 (the “**BIA Caution**”); and
  - b. Construction Lien in favour of Dael Thermal Group Inc, receipted as instrument no. MT213302 on May 29, 2019, and related Certificate of Action receipted as instrument no. MT215140 on July 8, 2019 (collectively, the “**Lien**”).
10. The BIA Caution registered on title to the land relates to an Order of the Ontario Superior Court of Justice (Bankruptcy) (Barrie) dated January 8, 2019, appointing BDO Canada Limited, as Licensed Insolvency Trustee of the bankrupt estates of William Player. William Player is not an officer or director of the Debtors, nor is he a guarantor of the obligations of the Debtors to Pace, or an owner of the Real Property subject to the Pace Mortgage.

#### The Debtors' Attempt to Sell the Real Property

11. The Real Property is presently listed for sale for a listing price of \$9,750,000. The Debtors did provide Pace with a Letter of Intent dated November 15, 2019 (the “**Letter of Intent**”) from a prospective purchaser, subject to the completion of due diligence by the

prospective purchaser. No agreement of purchase and sale with regard to the Letter of Intent has been provided to Pace by the Debtors.

#### Arrears, Operational Issues, and Concerns

12. The Debtors lack funds to meet the basic operational expenses of the Real Property, and are in arrears of both Utilities (the “**Utilities Arrears**”), and, in relation to at least one (1) unit comprising the Real Property, are also in arrears of Property Tax (the “**Property Tax Arrears**”). Further, the roof of the Real Property is in need of completion and/or repairs.

13. Pace has also been advised that the Debtors’ insurance over same is currently in “Cancellation Mode” due to the Debtors’ non-payment of premiums (the “**Insurance Cancellation**”).

14. Pace is concerned that, should the Debtors fail to properly maintain the Real Property and to ensure that utilities, property tax, and insurance charges and premiums are kept current, the Real Property could suffer damages which could negatively affect its value, and the availability of insurance proceeds in relation to any such damage.

#### The Financing and Pace’s Security

15. As of January 30, 2020, the Debtors were indebted to Pace in the amount of \$5,481,149.93, plus accruing interest and Pace’s continuing costs of enforcement (the “**Obligations**”), in respect of the following financing advanced to the Debtors pursuant to the terms of a letter agreement dated September 19, 2017 (the “**Letter Agreement**”) and a Commercial Credit Facilities Agreement dated October 25, 2017 (the “**Commercial Credit Agreement**”).:

- a. Line of Credit: with a credit limit of \$5,500,000, advanced as follows:



- i. Non-Revolving Term Facility: in the sum of \$3,650,000;
- ii. Non-Revolving Construction Facility: in the sum of \$1,700,000;
- iii. Reserve Credit Facility: in the sum of \$150,000.

(collectively, the “**Financing**”).

16. Pace holds, *inter alia*, the following security over the property of the Debtors as security for the Financing:

- a. The Pace Mortgage, as governed by Standard Charge Terms 200033 (the “**Standard Charge Terms**”) and Additional Charge Terms attached as a schedule thereto (the “**Additional Charge Terms**”);
  - b. General Assignment of Leases and Rents in favour of Pace, receipted as instrument no. MT191217 on October 26, 2016 over the Real Property;
  - c. Business Loan General Security Agreement from Noble House dated October 24, 2017;
  - d. Business Loan General Security Agreement from 230 Inc. dated October 24, 2017;
  - e. Business Loan General Security Agreement from 220 Ltd. dated October 24, 2017;
- (c-e, collectively, the “**GSA**’s”)
- f. Assignment of Material Contracts to Pace dated October 24, 2017

(collectively, the “**Security**”)

#### **Pace’s Security Interest in The Real Property**

17. Pace’s interest in the Real Property is secured by the Pace Mortgage, as governed by the

Standard Charge Terms and the Additional Charge Terms, and the Pace Mortgage is a first charge upon the Real Property.

**Pace's Security Interest in The Personal Property of the Debtors**

18. The GSA's secure all present and after-acquired personal property of the Debtors.

19. Pace has registered Financing Statements against each Debtor pursuant to the provisions of the *Personal Property Security Act* (Ontario) (the "**PPSA**") to perfect its security interest in the personal property of each Debtor secured under the GSA's.

20. The Personal Property Security Registration System Search Results for each Debtor confirm that Pace has a perfected security interest in the personal property of the Debtors secured by the GSA's.

**Defaults and Demands**

21. The Debtors defaulted under the Financing as a result of, *inter alia*, the following, as set out in a letter from Pace to the Debtors dated August 28, 2019 (the "**Default Letter**"):

- a. The Debtors have failed to make payments on the Financing as they have become due, and the Financing is in arrears, which total \$52,891.76 as at February 5, 2020;
- b. The registration of the Lien as against the Real Property;
- c. Failure of the Debtors to provide financial reporting to Pace as required under the Letter Agreement;
- d. The Property Tax Arrears; and,
- e. Failure of the Guarantors to provide certain reporting to Pace as required by the Letter Agreement.

(collectively, the “**Defaults**”)

22. The Default Letter was executed by the Debtors, and required the Debtors to repay the Obligations in full by November 27, 2019.

23. The Debtors have committed the following additional Defaults under the Financing:

- a. Failure to pay the Obligations by November 27, 2019;
- b. Failure to make payments of principal and interest on the Financing as same became due;
- c. The registration of the BIA Caution as against the Real Property;
- d. Failure to maintain the debt service ratio required under the Letter Agreement and Commercial Credit Agreement;
- e. The Utilities Arrears;
- f. The Insurance Cancellation; and
- g. Failure to maintain the Real Property in good repair, with respect to the roof of the Real Property.

24. Between November 28, 2019 and January 30, 2020, counsel for both the Debtors and counsel for Pace exchanged a number of emails in which Pace advised the Debtors that it would consider offering forbearance to the Debtors on certain terms, including the commencement of principal payments and the consent of the Debtors to the appointment of a receiver over their assets secured under Pace’s Security (the “**Counsel Emails**”).

25. In the Counsel Emails, counsel for the Debtors advised counsel for Pace that the Debtors were seeking to sell the Real Property in a sum sufficient to repay the Obligations, and were also seeking a capital injection in order to reduce the Obligations to a level satisfactory to Pace.
26. The Debtors failed to complete a sale of the Real Property or to secure any capital injection, and failed to cure their Defaults under the Financing. As a result of the above-noted Defaults, Pace did deliver to each of the Debtors a demand for payment and a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, each dated January 30, 2020 (collectively, the “**Demands**”).

#### **The Rationale and Authority for the Appointment Order**

27. The Debtors are in default of the Financing, and are insolvent. No further credit is available to the Debtors from Pace. The Demands will expire at end of day, February 10, 2020. Pace has provided the Debtors with sufficient opportunities to cure their Defaults, and the Debtors have failed to do so.
28. The provisions of the Pace Mortgage and the GSA's provide for the appointment of a Receiver over the Real Property and the personal property of the Debtors on default.
29. The Debtors are unable to make payments or fulfill their other obligations pursuant to the terms of the Financing, as a result thereof, and have failed to repay the Obligations by November 27, 2019 as required under the Default Letter.
30. The Debtors are unable to properly maintain or repair the Real Property, and have failed to secure a sale of the Real Property despite assurances from the Debtors that such a sale would materialize.

31. The Debtors are in arrears of utilities, property tax, and insurance premiums in relation to the Real Property. The Debtors' insurance over the Debtors' assets, including the Real Property, is in "Cancellation Mode".
32. There is a material concern that the Real Property subject to Pace's Mortgage could suffer damages should the Debtors be unable to maintain basic upkeep, the payment of utilities, and maintain valid insurance coverage. The appointment of a Receiver is necessary in order to ensure that the Real Property is secured all necessary maintenance and upkeep is performed to avoid damage to the Real Property. Further, the appointment of a Receiver is also necessary to allow for the orderly sale of the Real Property, and the application of any proceeds from such sale to the Obligations owing to Pace by the Debtors.
33. The appointment of a Receiver is also necessary to address the encumbrances registered on title to the Real Property, such as the Lien and the BIA Caution, which may hinder any attempt to complete the sale of same.
34. It is Pace's position that the appointment of the Receiver is just and equitable and is necessary for the protection of the estates of the Debtors, and the interests of Pace, as secured creditor, and other stakeholders.
35. Pace proposes that msi Spergel Inc. be appointed as Receiver, without security, over all of the assets, undertakings, and properties of the Debtors, including the Real Property.
36. msi Spergel Inc. has consented to act as Receiver should this Honourable Court so appoint it.
37. Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended.

38. Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

39. Rule 3, 14, 38 and any other applicable Rule of the *Rules of Civil Procedure*.

40. Such further and other grounds as counsel may advise.

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

1. The Notice of Application and all Schedules thereto;
2. The Affidavit of Paul Waters sworn February 6, 2020, and all Exhibits thereto;
3. The Consent of the Receiver; and,
4. Such further and other material as counsel may advise and this Honourable Court may permit.

February 7, 2020

**HARRISON PENZA LLP**

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Lawyers for the Applicant  
Pace Savings & Credit Union Limited

**Schedule “A-1” – Appointment Order (Clean)**

Court File No.

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

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

**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, no one appearing for [NAME] although duly served as appears from the affidavit of



service of [NAME] sworn [DATE] 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 \$\_\_\_\_\_, provided that the aggregate consideration for all such transactions does not exceed \$\_\_\_\_\_; 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**

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.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. 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**

17. 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**

18. 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.

19. 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.

20. 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**

21. 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

\$\_\_\_\_\_ (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.

22. 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.

23. 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.

24. 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**

25. 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).

26. 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**

27. 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

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Justice, Ontario Superior Court of Justice  
(Commercial List)

## **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

	<p><b>ONTARIO</b></p> <p><b>SUPERIOR COURT OF JUSTICE</b></p> <p><b>COMMERCIAL LIST</b></p> <p>PROCEEDING COMMENCED AT TORONTO</p>
	<p><b>ORDER</b></p>
	<p><b>HARRISON PENZA LLP</b> Barristers &amp; Solicitors 450 Talbot Street London, Ontario N6A 5J6</p> <p><b>Timothy C. Hogan (LSO #36553S)</b> <b>Robert Danter (LSO# 69806O)</b> Tel : (519) 661-6725 Fax: (519) 667-3362</p> <p>Lawyers for the Applicant, Pace Savings &amp; Credit Union Limited</p>

**Schedule “A-2” – Appointment Order (Blacklined)**

Revised: January 21, 2014  
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

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

PACE SAVINGS & CREDIT UNION LIMITED PLAINTIFF<sup>1</sup>

PlaintiffApplicant

- and -

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

DefendantRespondents

**ORDER**  
**(~~appointing~~Appointing Receiver)**

THIS ~~MOTION~~APPLICATION made by the PlaintiffApplicant<sup>2</sup> 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 [RECEIVER'S NAME]msi Spergel Inc. as receiver ~~and manager~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Noble House

<sup>1</sup>The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

<sup>2</sup>Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

Development Corporation, 2307400 Ontario Inc., and 2209326 Ontario Ltd. [DEBTOR'S NAME]  
(collectively, the "~~Debtor~~Debtors") acquired for, or used in relation to a business carried on by the  
~~Debtor~~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 ~~[NAME]~~Paul Waters sworn ~~[DATE]~~February 6, 2020 and  
the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant, Pace  
Savings & Credit Union Limited, no one appearing for [NAME] although duly served as appears  
from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of  
~~[RECEIVER'S NAME]~~msi Spergel Inc. to act as the Receiver,

#### SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~Application and  
the ~~Motion~~Application is hereby abridged and validated<sup>3</sup> so that this ~~motion~~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, ~~[RECEIVER'S NAME]~~msi Spergel Inc. is hereby appointed Receiver, without security, of  
all of the assets, undertakings and properties of the ~~Debtor~~Debtors acquired for, or used in relation  
to a business carried on by the ~~Debtor~~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

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<sup>3</sup> If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating  
irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate  
circumstances.

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 ~~Debtor~~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 ~~Debtor~~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 ~~Debtor~~Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Debtors and to exercise all remedies of the ~~Debtor~~Debtors in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the ~~Debtor~~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 ~~Debtor~~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 ~~Debtor~~Debtors, the Property or the Receiver, and to settle or compromise any such proceedings.<sup>4</sup> 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 \$\_\_\_\_\_, provided that the aggregate consideration for all such transactions does not exceed \$\_\_\_\_\_; 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;

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<sup>4</sup> ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, for section 31 of the Ontario *Mortgages Act*, as the case may be,<sup>5</sup> 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 ~~Debtor~~Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the ~~Debtor~~Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Debtors may have; and

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<sup>5</sup> If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

- (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 [DebtorDebtors](#), and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the [DebtorDebtors](#), (ii) all of ~~its~~ [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 [DebtorDebtors](#), 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

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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 ~~Debtor~~DEBTORS OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the ~~Debtor~~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 ~~Debtor~~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 ~~Debtor~~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 ~~Debtor~~Debtors to carry on any business which the ~~Debtor~~Debtors is are not lawfully entitled to carry on, (ii) exempt the Receiver or the ~~Debtor~~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 ~~Debtor~~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 ~~Debtor~~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 ~~Debtor~~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 ~~Debtor~~Debtors's 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 ~~Debtor~~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 ~~Debtor~~Debtors shall remain the employees of the ~~Debtor~~Debtors until such time as the Receiver, on the ~~Debtor~~Debtors's 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

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

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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 ~~Debtor~~Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. 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**

17. 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**

18. 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.<sup>6</sup>

19. 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.

20. 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**

21. 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 \$\_\_\_\_\_ (or such greater amount as this Court may by further Order authorize) at any time, at

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<sup>6</sup>Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

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.

22. 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.

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

24. 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**

25. 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).

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26. 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 ~~Debtor~~[Debtors](#)'s creditors or other interested parties at their respective addresses as last shown on the records of the ~~Debtor~~[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**

27. 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.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the ~~Debtor~~[Debtors, or any of them](#).

29. 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.

30. 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.

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

32. 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.

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Justice, Ontario Superior Court of Justice,  
(Commercial List)

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**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)

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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)

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**SCHEDULE "AB"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that [RECEIVER'S NAME]msi Spergel Inc., the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME]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 DebtorDebtors, including all proceeds thereof, which includes the real property described at Schedule "A" to the Order, as defined below-(collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an action having Court file number \_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

- 4 -

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

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

| [RECEIVER'S NAME] 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

	<b>ONTARIO</b> <b>SUPERIOR COURT OF JUSTICE</b> <b>COMMERCIAL LIST</b>  PROCEEDING COMMENCED AT TORONTO
	<b>ORDER</b>
	<b>HARRISON PENZA LLP</b> Barristers & Solicitors 450 Talbot Street London, Ontario N6A 5J6  <b>Timothy C. Hogan (LSO #36553S)</b> <b>Robert Danter (LSO# 69806O)</b> Tel : (519) 661-6725 Fax: (519) 667-3362  Lawyers for the Applicant, Pace Savings & Credit Union Limited

PACE SAVINGS & CREDIT UNION LIMITED

v.

NOBLE HOUSE DEVELOPMENT CORPORATION et al

Applicant

Respondents

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF APPLICATION**

**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 2

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

-and-

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

Respondents

**AFFIDAVIT OF PAUL WATERS**  
(sworn February 6, 2020)

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

**AND SAY:**

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

**The Debtors**

2. The Respondents, Noble House Development Corporation ("**Noble House**"), 2307400 Ontario Inc. ("**230 Inc.**"), and 2209326 Ontario Ltd. ("**220 Ltd.**", collectively with 230 Inc. and Noble House, the "**Debtors**"), are companies incorporated pursuant to the laws of the Province of Ontario. Each of the Debtors operate as owners and developers of real property in and around the Town of



Huntsville, Ontario. The Debtors also operate Huntsville Heated Mini Storage from the Real Property, as defined below.

3. Attached hereto to this my affidavit and marked as **Exhibits “A”, “B”, and “C”**, respectively, are a true copies of the Corporate Profile for each Debtor.
4. The Debtors, 230 Inc. and 220 Ltd., are the joint owners of the real property municipally known as 3 Crescent Road, Huntsville, Ontario (the “**Real Property**”), and legally described as:
  - a. 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);
  - b. 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);
  - c. 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);
  - d. 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);

- e. 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);
- f. 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);
- g. 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);
- h. 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);
- i. 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);
- j. 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);

- k. 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);
- l. 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);
- m. 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);
- n. 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).

Attached hereto to this my affidavit and marked collectively as **Exhibit “D”** are true copies of the parcel registry search results for the Real Property current to January 31, 2020.

5. Raymond (Ray) Jarvis and John Jarvis are each guarantors of the obligations of the Debtors to Pace (collectively, the “**Guarantors**”). Raymond Jarvis is the sole officer and director of each Debtor.
6. The Debtors are insolvent. The Debtors are in default of their obligations to Pace, as a result of, *inter alia*, the following:
  - a. The Real Property is encumbered both by a construction lien, and by an order registered under the *Bankruptcy and Insolvency Act*;
  - b. The Debtors have failed to pay the Obligations to Pace by November 27, 2019 as required by the Default Letter (each as defined below);
  - c. There are arrears of property tax and utilities owing in relation to the Real Property;
  - d. The Debtors have failed to maintain the Real Property in that the roof is in need of repair and or completion;
  - e. The Debtors’ insurance over the Real Property is in “Cancellation Mode” due to non-payment of premiums, and may no longer be valid;
  - f. Failure of the Debtors and Guarantors to provide reporting as required under the Financing;
  - g. The Debtors have failed to make payments of principal and interest on the Financing (as defined below); and,
  - h. The Debtors have failed to maintain the debt service ratio required under the Financing.

7. Pace is not aware as to whether the Debtors have any employees.

## **The Real Property**

### **Description and Registered Encumbrances**

8. The Real Property comprises approximately 4.1 acres of land, on which the Debtors operate or operated a storage business known as “Huntsville Heated Mini Self-Storage”, a two-story condominium building of approximately 7,349 square meters is located on the real property, which was constructed in 1991 and which contains mixed office, industrial, and storage facility usages.
9. The Real Property is encumbered by, *inter alia*, the following registrations:
  - a. Charge/Mortgage in favour of Pace, in the principal sum of \$5,500,000, receipted as instrument no. MT191216 on October 26, 2017 (the “**Pace Mortgage**”), as attached to this Affidavit as Exhibit “L”, below;
  - b. General Assignment of Leases and Rents in favour of Pace, receipted as instrument no. MT191217 on October 26, 2016 (the “**Rent Assignment**”), as attached to this Affidavit as Exhibit “O”, below;
  - c. Charge/Mortgage in favour of Catherine Elizabeth Wallace and Scott William Wallace, in the principal sum of \$472,097, receipted as instrument no MT154628 on July 6, 2015, and postponed to the Pace Mortgage;
  - d. Charge/Mortgage in favour of Andrew Turner, in the principal sum of \$375,000, receipted as instrument no MT154626 on July 6, 2015 (over PINS 48880-007 LT and 48880-008 LT only), and postponed to the Pace Mortgage;

- e. Charge/Mortgage in favour of Canadian Western Trust Company, in the principal sum of \$450,000, receipted as instrument no MT194226 on January 4, 2018;
  - f. Caution- Land (Bankruptcy and Insolvency Act) registered by BDO Canada Limited, receipted as instrument no. MT210440 on March 5, 2019 (the “**BIA Caution**”). Attached hereto to this my affidavit and marked as **Exhibit “E”** is a true copy of the BIA Caution; and
  - g. Construction Lien in favour of Dael Thermal Group Inc, receipted as instrument no. MT213302 on May 29, 2019, and related Certificate of Action receipted as instrument no. MT215140 on July 8, 2019 (collectively, the “**Lien**”). Attached hereto to this my affidavit and marked collectively as **Exhibit “F”** is a true copy of the Lien.
10. The Pace Mortgage is a first-priority charge over the Real Property.
11. The BIA Caution registered on title to the land relates to an Order of the Ontario Superior Court of Justice (Bankruptcy) (Barrie) dated January 8, 2019, appointing BDO Canada Limited, as Licensed Insolvency Trustee of the bankrupt estates of William Player, and authorizing BDO Canada Limited to registered a caution under s. 74(3) of the BIA as against the Real Property. William Player is not an officer or director of the Debtors, nor is he a guarantor of the obligations of the Debtors to Pace, or an owner of the Real Property subject to the Pace Mortgage.

The Debtors’ Attempt to Sell the Real Property

12. The Debtors did advise Pace that they intended to sell the Real Property in order to raise funds with which to pay the Obligations (as defined below) to Pace, and

did provide Pace with a Letter of Intent dated November 15, 2019 (the “**Letter of Intent**”) from a prospective purchaser; however, no agreement of purchase and sale with regard to the Letter of Intent has been provided to Pace as at the date of this affidavit. The Letter of Intent was subject to the completion of due diligence by the prospective purchaser.

13. The Real Property is presently listed for sale for a listing price of \$9,750,000.

Arrears, Operational Issues, and Concerns

14. The Debtors lack funds to meet the basic operational expenses of the Real Property, such as payment of utilities. Pace has confirmed that the following utilities show arrears owing as at February 3, 2020:

- a. Water - \$368.32; and,
- b. Total Hydro arrears of approximately \$700, as advised by Hydro One. Pace has been unable to confirm whether such arrears relate to the Real Property as a whole or to individual units within same.

(the “**Utility Arrears**”).

Attached hereto to this my affidavit and marked as **Exhibit “G”** is a true copy of a Past Due Notice from the Municipality of Huntsville indicating that no payments had been made in relation to water utilities since November 13, 2019.

15. Despite the Utility Arrears, the Debtors failed to advise Pace of same. Attached hereto to this my affidavit and marked as **Exhibit “H”** is a true copy of an email dated January 30, 2020 from Raymond Jarvis to counsel for Pace stating that no such arrears existed.

16. The Debtors have also advised Pace that the roof of the Real Property is in need of substantive repairs.
17. Further, the Town of Huntsville has confirmed that the Debtors are in arrears of property tax in relation to the Unit bearing PIN 48880 - 0001 LT in the sum of \$10,026.55 as at February 3, 2020 (the “**Property Tax Arrears**”). Other units secured under the Pace Mortgage are also in arrears on account of realty taxes owed to the Town of Huntsville.
18. Pace is concerned that, should the Debtors fail to maintain the Real Property, the Real Property could be subject to damage, such as freezing damage to water pipes and systems within the self-storage condominium building located thereon. Such damage could negatively affect the value of the Real Property.
19. Pace has been further advised, by the insurer of the Real Property, that the Debtors’ insurance over same is currently in “Cancellation Mode” due to the Debtors’ non-payment of premiums, and it is Pace’s concern that such insurance could be cancelled at any time (the “**Insurance Cancellation**”). Raymond Jarvis has confirmed to Pace that the Debtors are in arrears of payment to their insurer. Attached hereto to this my affidavit and marked as **Exhibit “I”** is a true copy of an email dated January 30, 2020 from Raymond Jarvis to counsel for Pace confirming the non-payment of premiums.

#### **The Financing and Pace’s Security**

20. As of January 30, 2020, the Debtors were indebted to Pace in the amount of \$5,481,149.93, plus accruing interest and Pace’s continuing costs of enforcement (the “**Obligations**”), in respect of financing advanced to the Debtors pursuant to



the terms of a letter agreement dated September 19, 2017 (the “**Letter Agreement**”) and a Commercial Credit Facilities Agreement dated October 25, 2017 (the “**Commercial Credit Agreement**”). Attached hereto to this my affidavit and marked as **Exhibit “J”** is a true copy of the Letter Agreement. Attached hereto to this my affidavit and marked as **Exhibit “K”** is a true copy of the Commercial Credit Agreement.

21. The credit facilities established by the Letter Agreement and the Commercial Credit Agreement are:

a. Line of Credit: with a credit limit of \$5,500,000, advanced as follows:

i. Non-Revolver Term Facility: in the sum of \$3,650,000;

ii. Non-Revolver Construction Facility: in the sum of \$1,700,000;

iii. Reserve Credit Facility: in the sum of \$150,000.

(collectively, the “**Financing**”).

22. Pace holds, *inter alia*, the following security over the property of the Debtors as security for the Financing:

a. The Pace Mortgage, as governed by Standard Charge Terms 200033 (the “**Standard Charge Terms**”) and Additional Charge Terms attached as a schedule thereto (the “**Additional Charge Terms**”);

Attached hereto to this my affidavit and marked as **Exhibit “L”** is a true copy of the Pace Mortgage. Attached hereto to this my affidavit and marked as **Exhibit “M”** is a true copy of the Standard Charge Terms. Attached hereto to

this my affidavit and marked as **Exhibit “N”** is a true copy of the Additional Charge Terms;

- b. The Rent Assignment. Attached hereto to this my affidavit and marked as **Exhibit “O”** is a true copy of the Rent Assignment;
- c. Business Loan General Security Agreement from Noble House dated October 24, 2017 (the “**Noble House GSA**”). Attached hereto to this my affidavit and marked as **Exhibit “P”** is a true copy of the Noble House GSA;
- d. Business Loan General Security Agreement from 230 Inc. dated October 24, 2017 (the “**230 GSA**”). Attached hereto to this my affidavit and marked as **Exhibit “Q”** is a true copy of the 230 GSA;
- e. Business Loan General Security Agreement from 220 Ltd. dated October 24, 2017 (the “**220 GSA**”). Attached hereto to this my affidavit and marked as **Exhibit “R”** is a true copy of the 220 GSA; and,

(c-e, collectively, the “**GSA’s**”)

- f. Assignment of Material Contracts to Pace dated October 24, 2017 (the “**Contract Assignment**”). Attached hereto to this my affidavit and marked as **Exhibit “S”** is a true copy of the Contract Assignment.

(a-f, collectively, the “**Security**”)

- 23. The Financing is governed by, *inter alia*, the terms and conditions contained within the Commercial Credit Agreement, which include:

#### **9. COVENANTS**

## 9.1 Affirmative Covenants

While any obligation of the Borrowers or the Lender is outstanding under any Credit Document, each Borrower agrees as follows:

**(a) Maintenance of Business** – It shall preserve and maintain its existence, and preserve and keep in force and effect all licenses, permits and franchises necessary to the proper control of its business.

**(b) Maintenance of Properties** – it shall maintain, preserve and keep the Property and its other assets in good repair, working order, and condition (ordinary wear and tear excepted) and shall from time to time make all needed and proper repairs, renewals, replacements, additions, and improvements, thereto so that at all times the efficiency thereof shall be fully preserved and maintained.

**(c) Taxes and Assessments** – It shall duly pay and discharge, all Taxes, rates, assessments, fees and governmental charges upon or against it or its property and assets, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves are provided thereafter.

### **(d) Insurance**

(i) It shall maintain in force with good and responsible insurance companies, insurance coverage on its property, assets, and undertakings....

**e) Financial Reports:** It shall maintain a standard system of accounting in accordance with GAAP and shall promptly furnish to the Lender ... such information respecting its business and financial condition as the Lender

## 9.2 Negative Covenants

While any obligation of the Borrowers or the Lender is outstanding under any Credit Document, each Borrower agrees as follows:

...

(b) Limitation on Liens. It shall not directly or indirectly, make, create, incur, assume or suffer to exist any Lien upon or with respect to any Collateral, whether now owned or hereafter acquired, other than Permitted Liens ...

## 10. DEFAULT AND ENFORCEMENT

### **(a) Events of Default**

Without limiting the Lender's right to make demand at any time in respect of the Facilities, the occurrence of any of the following events shall constitute an event of default (an "Event of Default") under this Agreement:

**(i) Payment Defaults.** Failure by the Borrowers to pay to the Lender when due all amounts owing to the Lender under any Credit Document, including without limitation, all principal amounts, interest and other Obligations.

**(ii) Non-Payment Defaults.** Failure of any Borrower to comply with any covenant in Sections 9.1 and 9.2 of this Agreement and such Default continues for ten (10) days after that Borrower shall have received written notice of such Default from the Lender.

...

**(v) Action by Other Creditors.** Any judgment, writ, warrant of attachment, distress, or any similar process in an amount exceeding \$20,000 is filed against one or more of the Collateral Parties or against any Collateral ... and such judgment, writ, warrant of attachment, distress, or any similar process is not diligently appealed in good faith and vacated, bonded, stayed, or satisfied within thirty (30) days thereafter....

...

**(viii) Voluntary Proceedings.** Any Collateral Party (i) institutes proceedings for substantive relief in any bankruptcy, insolvency, debt restructuring, reorganization, readjustment of debt, dissolution, liquidation, winding-up or other similar proceedings (including proceedings under the Bankruptcy and Insolvency Act (Canada), the Winding-up and Restructuring Act (Canada), the Companies' Creditors Arrangement Act (Canada), incorporating statute (or other legislation, document or agreement creating such Collateral Party), including proceedings for the appointment of a trustee, interim receiver, receiver, receiver and manager, administrative receiver, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official with respect to such Collateral Party or all or any material part of the Collateral, or (ii) makes an assignment for the benefit of creditors, or (iii) is unable, or admits in writing its inability, to pay its debts as they become due or otherwise acknowledges its insolvency or commits any other act of bankruptcy or is insolvent under any applicable legislation, or (iv) voluntarily suspends the conduct of its business or operations, or (v) acquiesces in, or takes any action in furtherance of, any of the foregoing

**(ix) Involuntary Proceedings.** If any third party (i) makes any application under the Companies' Creditors Arrangement Act (Canada), the United States Bankruptcy Code or similar legislation in Canada or the United States of America in respect of any Collateral Party, or (ii) files a proposal or notice of intention to file a proposal under the Bankruptcy and Insolvency Act (Canada), or similar legislation in respect of any Collateral Party, or (iii) institutes any winding-up proceeding under the Winding-up and Restructuring Act (Canada), any relevant incorporating statute or any similar legislation in respect of any Collateral Party, or (iv) presents a petition in bankruptcy under the Bankruptcy and Insolvency Act (Canada) or any similar legislation in respect of any Collateral Party, or (v) files, institutes or commences any other petition, proceeding or case under any other bankruptcy, insolvency, debt restructuring, reorganization, incorporation, readjustment of debt, dissolution, liquidation, winding-up or similar law now or hereafter in effect, seeking bankruptcy, liquidation, reorganization, dissolution, winding-up, composition or readjustment of debt of any Collateral Party, the appointment of a trustee, interim receiver, receiver, receiver and manager, administrative receiver, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official for any Collateral Party, or any material part of any Collateral Party's assets or any similar relief; unless such application, filing, proceeding, petition or case, as applicable, is being contested in good faith by bona fide action on the part of the relevant Collateral Party and is dismissed, stayed or withdrawn within 30 days after the commencement thereof.

**(x) Material Adverse Change.** At any time an event or circumstance occurs that, in the opinion of the Lender, is or will be a Material Adverse Change.

**(b) Rights upon Default and Event of Default or Demand**

Upon the occurrence of a Default which is continuing, the Lender may, on notice to the Borrowers, declare that the ability of the Borrowers to require any further Advances under the Facilities shall be suspended. Upon the occurrence of an Event of Default which is continuing, the Lender may do either or both of the following:

(i) declare that the commitment under any or all of the Facilities has expired and that the Lender's obligation to make Advances has terminated; and

(ii) declare the entire amount of the Facilities outstanding, all unpaid accrued interest and all fees and other amounts required to be paid by the Borrowers hereunder to be immediately due and payable without the necessity of presentment for payment, notice of non-payment and of protest (all of which are hereby expressly waived) and proceed to exercise any and all rights and remedies hereunder and under any other Credit Document. Immediately upon receipt of such declaration, the Borrowers shall pay to the Lender all amounts outstanding hereunder.

### **Pace's Security Interest in The Real Property**

24. Pace's interest in the Real Property is secured by the Mortgage, as governed by the Standard Charge Terms and the Additional Charge Terms, and the Mortgage is a first charge upon the Real Property.
25. The Standard Charge Terms include, *inter alia*, the following terms (emphasis added):

#### **2. RIGHT TO CHARGE THE LAND**

*The Chargor [the Debtors] now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee [Pace] upon the covenants contained in the Charge.*

#### **5. PROMISE TO PAY AND PERFORM**

*The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.*

#### **8. COSTS ADDED TO PRINCIPAL**

*The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings*

*taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.*

26. The Additional Charge Terms include, *inter alia*, the following terms (emphasis added):

#### **ASSIGNMENT OF RENTS**

*The Chargor doth hereby assign, transfer and set over unto the Chargee, its successors and assigns, all rents both present and future payable, for space in the Lands and all benefits accruing from all leases therein to hold and receive the same unto the Chargee, its successors and assigns, until the monies due under and by virtue of the Charge have been fully paid and satisfied. The Chargor hereby declares that any direction or request from the Chargee to pay the rents or other payments to the Chargee shall be sufficient warranty and authority to any lessee to make such payments and such direction or request may be effectively given by sending the same by prepaid, registered post to the lessee at the premises leased by such lessee or by leaving the same at the premises leased by such lessee. The Chargor further covenants and agrees with the Chargee to execute such further assurances as may be required of it by the Chargee in order to effectually assign to the Chargee, the rents and benefits of all leases, assigned hereunder.*

#### **COSTS AND EXPENSES**

*It is agreed that all costs and expenses of the Chargee incurred in endeavouring to collect any money overdue under this Charge, including all legal costs on a solicitor and client basis, whether legal proceedings are instituted or not, shall be added to the principal and be payable forthwith by the Chargor. Furthermore and in addition to any fees and costs pursuant to this Charge, upon default under this Charge the Chargee or any person on their behalf shall be appointed as the Chargee's manager and will charge a fee of \$200.00 per hour for its services and such fee shall be added to the mortgage indebtedness and shall bear interest at the rate herein set forth.*

#### **ADDITIONAL SECURITY**

*Provided that the Chargee (in addition to the premises secured hereunder) holds further additional securities on account of the liabilities secured herein, it is understood and agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such additional securities, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such securities or herein. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security or securities in such order or such manner, cumulatively and concurrently and not alternatively, separately, successively or together as it shall in its sole and absolute discretion deem fit, without waiving any rights which the Chargee may have hereunder and with respect to any and all such securities and the exercise of any such powers or remedies from time to time shall not in any way affect the liability of the Chargor hereunder and under the remaining securities.*

*Any judgment or recovery hereunder or under any other security held by the Chargee to secure the liabilities of the Chargor shall not affect the right of the Chargee to realize upon this or any other such security. Unless agreed to the contrary in writing no discharge of any one or more of such securities and the within Charge shall be given until the full and ultimate amount of the Principal, interest and other costs secured hereby has been paid in full.*

27. Pursuant to the Standard Charge Terms and the Additional Charge Terms, the Mortgage secures the Obligations.

### **Pace's Security Interest in The Personal Property of the Debtors**

28. The GSA's contain identical terms, and secure the following personal property of the Debtors:

#### **1. DEFINITIONS**

*In this Agreement,*

*(a) "Collateral" means all personal property of any nature whatsoever, both tangible and intangible, including, among other things, inventory, Equipment, Receivables, Accounting Books of Record, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles, Money, Securities and any Accessions thereto now owned or hereafter acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any right, title or interest, except consumer goods, and any reference to "Collateral" shall be deemed to be a reference to "Collateral or any part thereof" except where otherwise specifically provided;*

*(b) "Obligation" means all of the obligations, liabilities, and indebtedness of the Debtor to the Credit Union [Pace] from time to time, whether present or future, absolute or contingent, liquidated or unliquidated, of whatsoever nature or kind, in any currency or otherwise, including all Obligations, liabilities, and indebtedness hereunder;*

...

#### **2. SECURITY INTEREST**

*As security for the payment, performance, and satisfaction of the Obligations to the Credit Union, the Debtor hereby grants to the Credit Union by way of security interest, mortgage, pledge, charge, assignment, and hypothec a continuing security interest of the Debtor in the Collateral (including all renewals, accretions and substitutions therefore) and all Proceeds of the foregoing.*

29. Pace has registered Financing Statements against each Debtor pursuant to the provisions of the *Personal Property Security Act* (Ontario) (the "**PPSA**") to perfect its security interest in the personal property of the Debtors secured under the GSA's.
30. The Personal Property Security Registration System Search Results for the Debtors confirm that Pace has a perfected security interest in the personal property

of the Debtors secured by the GSA's.

Attached hereto to this my affidavit and marked as **Exhibits "T" "U" and "V"** are true copies of the Personal Property Security Registration System Search Results for each Debtor (current as of January 31, 2020).

**Defaults and Demands**

31. The Debtors are in default of the Financing as a result of, *inter alia*, the following, as set out in a letter from Pace to the Debtors dated August 28, 2019 (the "**Default Letter**"):

- a. The Debtors have failed to make payments on the Financing as they have become due, and the credit facility is presently in arrears of \$52,891.76 as at February 5, 2020;
- b. The registration of the Lien as against the Real Property;
- c. Failure of the Debtors to provide financial reporting to Pace as required under the Letter Agreement;
- d. The Property Tax Arrears; and,
- e. Failure of the Guarantors to provide certain reporting to Pace as required by the Letter Agreement.

(collectively, the "**Defaults**")

Attached hereto to this my affidavit and marked as **Exhibit "W"** is a true copy of the Default Letter.



32. The Default Letter was executed by the Debtors, and required the Debtors to repay the Obligations in full by November 27, 2019.
33. Pace states that the Debtors have committed the following additional Defaults under the Financing:
- a. The registration of the BIA Caution as against the Real Property;
  - b. The Utilities Arrears;
  - c. The Insurance Cancellation; and
  - d. Failure to maintain the Real Property in good repair, with respect to the roof of the Real Property.
34. On November 28, 2019, Jay Herbert of Falls Law Group ("**Herbert**"), as counsel for the Debtors, corresponded with Pace's counsel, denying all Defaults of the Debtors. Attached hereto to this my affidavit and marked as **Exhibit "X"** is a true copy of the letter dated November 28, 2019.
35. Counsel for Pace responded via email on December 12, 2019 reaffirming the Defaults of the Debtors, including:
- a. A sample unit comprising part of the Real Property had Property Tax Arrears owing of \$9,803.76 as at that date;
  - b. The Debtors were unable to maintain the debt service ratio required under the Letter Agreement and Commercial Credit Agreement;
  - c. Pace would consider extending forbearance to the Debtors for the repayment of the Obligations on certain terms, including the commencement of principal

payments and the consent of the Debtors to the appointment of a receiver over their assets secured under Pace's Security.

Attached hereto to this my affidavit and marked as **Exhibit "Y"** is a true copy of the email dated December 12, 2019.

36. Herbert responded to Pace on December 18, 2019, providing Pace with the Letter of Intent, and advising that the Debtors expected to finalize a sale of the Real Property in an amount sufficient to repay the Obligations in full by late December, 2019. Attached hereto to this my affidavit and marked as **Exhibit "Z"** is a true copy of the email dated December 18, 2019.

37. The Debtors have not completed the sale of the Real Property, which remains listed for sale as stated above, and remain in Default of the Financing.

38. Counsel for Pace did follow with Herbert on January 6, 2020 and January 8, 2020, requesting an update on the sale of the Real Property, and advising the Debtors that the Debtors were in arrears of payment on their monthly payments under the Financing as a result of their January 6, 2020 payment being returned "NSF" by their issuing bank. Attached hereto to this my affidavit and marked as **Exhibit "AA"** are true copies of the emails dated January 6, 2020 and January 8, 2020.

39. Following the emails of January 6, 2020 and January 8, 2020, counsel for the Debtors did advise Pace that the Debtors were seeking a capital injection into Noble House, which would see the Obligations reduced to a level satisfactory to Pace.

40. As no proposal from the Debtors was forthcoming, counsel for Pace did email Herbert again on January 27, 2020, advising that the Debtors were in arrears of

payment under the Financing, and that Pace would issue formal written demands for payment should the Debtors fail to provide satisfactory updates on the following issues by end of business day, January 28, 2020:

- a. An update on any capital injection into Noble House; and,
- b. An update on the sale of the Real Property.

Attached hereto to this my affidavit and marked as **Exhibit “BB”** is a true copy of the email dated January 27, 2020.

41. The Debtors failed to provide satisfactory updates to Pace, and failed to cure their Defaults under the Financing. As a result of the above-noted Defaults, Pace did deliver to each of the Debtors a demand for payment and a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, each dated January 30, 2020 (collectively, the “**Demands**”). Attached hereto to this my affidavit and marked collectively as **Exhibit “CC”** are true copies of the Demands. Attached hereto to this my affidavit and marked as **Exhibit “DD”** is a true copy of the email to Herbert of January 30, 2020 attaching copies of the Demands.

#### **The Appointment of a Receiver**

42. The Obligations due pursuant to the Demand have not been paid. The ten (10) day period under section 244 of the BIA expires at end of day, February 10, 2020. Pace is in a position to appoint a receiver over the assets and property of the Debtors as secured by Pace’s Security, pursuant to section 243 of the BIA.

## The Real Property

43. The Additional Charge Terms grant Pace the power to appoint a Receiver over the Real Property as a result of the Defaults, and state, in part (emphasis added):

### **APPOINTMENT OF A RECEIVER**

*Notwithstanding anything herein contained, it is declared and agreed that at any time and from time to time when there shall be an event of default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the land or any part thereof and whether before or after such entry into possession, appoint in writing or apply to a court of competent jurisdiction for the appointment of a receiver or trustee (who may, if the Chargee elects, be an officer or employee of the Chargee and which term, when used herein, shall include a receiver and manager) of the land or any part thereof and of the rents and profits thereof and with or without security, and may from time to time by similar writing or by application to court, as the case may be, remove any such receiver or trustee and appoint another in his place and stead and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of such receiver or trustee.*

*Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the land or any part thereof, and the Chargor hereby consents to a court order for the appointment of such receiver or trustee. If the Chargee, in its discretion, chooses to obtain such an order, it may be obtained on the terms and for such purposes as the Chargee, at its sole discretion, may require, including, without limitation, the power to manage, mortgage, pledge, lease and/or sell the land and/or complete or partially complete any construction thereon and to receive advances of mortgage and other moneys pursuant to any mortgages, pledges and/or loans entered into by the receiver or trustee or the Chargor.*

*Upon the appointment of any such receiver or trustee from time to time, the Chargor covenants and agrees that the following provisions shall apply:*

- (a) a statutory declaration of an officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;*
- (b) every such receiver or trustee shall be the irrevocable agent or attorney of the Chargor (whose appointment, as such, shall be revocable only by the Chargee) for the collection of all rents and other amounts falling due in respect of the land or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto;*
- (c) every such receiver or trustee may, in the discretion of the Chargee, be vested with all or any of the powers and discretions of the Chargee including, without limitation, the power to sell the land;*
- (d) the Chargee may from time to time fix the remuneration of every such receiver or trustee who shall be entitled to deduct same out of the land or the proceeds thereof;*
- (e) every such receiver or trustee shall, so far as concerns responsibility and liability for his acts and omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;*
- (f) the appointment of every such receiver or trustee by the Chargee shall*

*not incur or create any liability on the part of the Chargee to the receiver or trustee or to the Chargor or to any other person, firm or corporation in any respect and such appoint or anything which may be done by any such receiver or trustee or the removal of any such receiver or trustee or the termination of any such receivership or trusteeship shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the land or any part thereof;*

*(g) the receiver or trustee shall have the power to rent any portion of the land for such term and subject to such provisions as he may deem advisable or expedient, subject to the restrictions on leasing contained in any existing tenancy agreements affecting the land and, in so doing, such receiver or trustee shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any tenancy agreement of any such premises in the name and on behalf of the Chargor, and the Chargor undertakes to ratify and confirm whatever acts such receiver or trustee may do in the land;*

*(h) every such receiver or trustee may make such arrangements at such time or times as it may deem necessary without the concurrence of any other persons for the repairing, finishing, adding to or putting in order the land, including, without restricting the generality of the foregoing, for the completion of the construction of any building or buildings, or other erections or improvements on the land left by any Chargor in an unfinished state or award the same to others to complete, notwithstanding that the resulting cost exceeds the principal sum hereinbefore set forth, and, in any of such cases, shall have the right to take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances on the land) and property of every kind and description. For the purposes thereof, the receiver or trustee may borrow money on the security of the land and to issue such certificates or charges as may be necessary or desirable to secure such borrowings;*

*(I) every such receiver or trustee shall have full power to manage, operate, amend, repair or alter the land and the buildings and improvements thereon or any part thereof in the name of the Chargor for the purpose of obtaining rental and other income from the land or any part thereof,*

*(j) no such receiver or trustee shall be liable to the Chargor to account for moneys or damages, other than moneys actually received by him in respect of the land, and out of such moneys so received from time to time, every such receiver or trustee shall pay in the following order:*

*(i) his remuneration aforesaid;*

*(ii) all obligations, costs and expenses made or incurred by him, including, but not limited to, any expenditures in connection with the management, operation, amendment, repair, construction or alteration of the land or any part thereof;*

*(iii) interest, principal and other moneys which may from time to time be or become charged upon the land in priority to this Charge and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect of the land or any part thereof;*

*(iv) to the Chargee all interest due or falling due under this Charge and the balance to be applied on account of the Principal Amount and other moneys due and payable to the account of principal amount and other moneys due and payable to the Chargee and, at the option of the Chargee, to prepay the Principal Amount and all other unpaid monies due*

*and owing under this Charge; and*

*(v) subject to the above, at the discretion of the receiver or trustee, interest, principal and other moneys which may from time to time constitute a charge or encumbrance on the land subsequent in priority or subordinate to the interest of the Chargee under this Charge, and that such receiver or trustee shall, in his discretion, retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing and, further, that any surplus remaining in the hands of every such receiver or trustee after payments made and such reasonable reserves retained as aforesaid shall be payable to the Chargor;*

*(k) the Chargee may at any time and from time to time terminate any such receivership by notice in writing to the Chargor and to any such receiver or trustee;*

*(l) save as to moneys payable to the Chargor as set forth above, the Chargor hereby releases and discharges the Chargee and every such receiver or trustee from every claim of every nature, whether in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under the Chargor by reason or as a result of anything done by the Chargee or any such receiver or trustee under the receivership provisions, unless such claim be the direct and proximate result of bad faith or gross negligence; and*

*(m) the Chargor hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required, in the sole discretion of the Chargee and/or its solicitors, so as to give effect to the foregoing provisions, and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the receiver or trustee and/or with respect to the land in the same manner as if such documentation was duly executed by the Chargor himself.*

44. The Debtors are in default of the Financing, and Pace is entitled to seek the appointment of a Receiver over the Real Property as a result thereof.

#### Personal Property

45. Paragraph 6(b) of the GSA's grant Pace the right to appoint a Receiver over all personal property of the Debtors secured thereunder in the event of default, as follows:

#### **6. REMEDIES**

*Upon any Event of Default and at anytime thereafter the Credit Union, at its option, may declare that all indebtedness and Obligations secured by this agreement shall immediately become due and payable, and:*

...

*(b). The Credit Union shall then be constituted to appoint in writing any person to be a receiver (which term shall include a receiver and a manager) over the Collateral, including any rents and profits thereof, and may remove any receiver and appoint another in his stead. Such receiver so appointed shall have power to take possession of the Collateral and to carry on or concur in carrying on the business of the Debtor, and to sell or concur in selling the Collateral or any part thereof. Any such receiver shall for all purposes be deemed to be the agent of the Debtor...*

- 46. The Debtors are in Default of the terms of the Financing, and the Obligations are due and payable in full.
- 47. The provisions of Pace's Security provide Pace with the power to appoint a Receiver over the Real Property and over all personal property of the Debtors secured by the GSA's.

### **Pace's Position**

- 48. The Debtors are in default of the Financing. No further credit is available to the Debtors from Pace. Pace has provided the Debtors with sufficient opportunities to cure their Defaults, and the Debtors have failed to do so.
- 49. The Debtors are insolvent. The Demands expire at end of day, February 10, 2020, and Pace is in a position to seek the order appointing the Receiver. The Debtors are unable to make payments or fulfill their other obligations pursuant to the terms of the Financing, as a result thereof, and have failed to repay the Obligations by November 27, 2019 as required under the Default Letter.
- 50. The Debtors are unable to properly maintain or repair the Real Property, and have failed to secure a sale of the Real Property despite assurances from the Debtors that such a sale would materialize.
- 51. The Debtor is in arrears of utilities, property tax, and insurance premiums in relation to the Real Property. The Debtors' insurance over the Debtors' assets, including the Real Property, is in "Cancellation Mode".

52. There is a material concern that the Real Property subject to Pace's Mortgage could suffer damages should the Debtors be unable to maintain basic upkeep, the payment of utilities, and maintain valid insurance coverage. The appointment of a Receiver is necessary in order to ensure that the Real Property is secured all necessary maintenance and upkeep is performed to avoid damage to the Real Property. Further, the appointment of a Receiver is also necessary to allow for the orderly sale of the Real Property, and the application of any proceeds from such sale to the Obligations owing to Pace by the Debtors.
53. The appointment of a Receiver is also necessary to address the encumbrances registered on title to the Real Property, such as the Lien and the BIA Caution, which may hinder any attempt to complete the sale of same.
54. It is Pace's position that the appointment of the Receiver is just and equitable and is necessary for the protection of the estates of the Debtors, and the interests of Pace, as secured creditor, and other stakeholders.
55. Pace proposes that msi Spergel Inc. be appointed as Receiver, without security, over all of the assets, undertakings, and properties of the Debtors, including the Real Property.
56. msi Spergel Inc. has consented to act as Receiver should this Honourable Court so appoint it.



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ONTARIO  
SUPERIOR COURT OF JUSTICE

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

-and-

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

Respondents

ATTACHED HERETO ARE EXHIBITS "A" TO "DD"  
AS REFERRED TO IN THE AFFIDAVIT OF PAUL WATERS,  
SWORN BEFORE ME ON FEBRUARY 6 2020.

  
A Commissioner, etc.

Jonathan Andrew Mahoney,  
a Commissioner, etc., Province of Ontario,  
while a Student-at-Law.  
Expires August 9, 2022.

# EXHIBIT "A"

# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2557295	NOBLE HOUSE DEVELOPMENT CORPORATION	2017/01/20
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
RAY JARVIS 29 MAIN STREET	NOT APPLICABLE	NOT APPLICABLE
<b>Suite # 101</b> HUNTSVILLE ONTARIO CANADA P1H 2C6	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
RAY JARVIS 29 MAIN STREET	NOT APPLICABLE	NOT APPLICABLE
<b>Suite # 101</b> HUNTSVILLE ONTARIO CANADA P1H 2C6	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	00001 00010	NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

## CORPORATION PROFILE REPORT

### Ontario Corp Number

2557295

### Corporation Name

NOBLE HOUSE DEVELOPMENT CORPORATION

### Corporate Name History

NOBLE HOUSE DEVELOPMENT CORPORATION

### Effective Date

2017/08/02

2557295 ONTARIO INC.

2017/01/20

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

### Administrator:

Name (Individual / Corporation)

RAY

JARVIS

### Address

29 MAIN STREET

Suite # 101  
HUNTSVILLE  
ONTARIO  
CANADA P1H 2C6

### Date Began

2017/01/20

### First Director

NOT APPLICABLE

### Designation

DIRECTOR

### Officer Type

### Resident Canadian

Y

## CORPORATION PROFILE REPORT

### Ontario Corp Number

2557295

### Corporation Name

NOBLE HOUSE DEVELOPMENT CORPORATION

### Administrator:

#### Name (Individual / Corporation)

RAY

JARVIS

#### Address

29 MAIN STREET

Suite # 101  
HUNTSVILLE  
ONTARIO  
CANADA P1H 2C6

### Date Began

2017/01/20

### First Director

NOT APPLICABLE

### Designation

OFFICER

### Officer Type

PRESIDENT

### Resident Canadian

### Administrator:

#### Name (Individual / Corporation)

RAY

JARVIS

#### Address

29 MAIN STREET

Suite # 101  
HUNTSVILLE  
ONTARIO  
CANADA P1H 2C6

### Date Began

2017/01/20

### First Director

NOT APPLICABLE

### Designation

OFFICER

### Officer Type

SECRETARY

### Resident Canadian

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

2557295

**Corporation Name**

NOBLE HOUSE DEVELOPMENT CORPORATION

**Administrator:  
Name (Individual / Corporation)**

RAY  
JARVIS

**Address**

29 MAIN STREET  
  
**Suite # 101**  
HUNTSVILLE  
ONTARIO  
CANADA P1H 2C6

**Date Began**

2017/01/20

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

TREASURER

**Resident Canadian**

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

2557295

**Corporation Name**

NOBLE HOUSE DEVELOPMENT CORPORATION

**Last Document Recorded**

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	1	2018/09/06 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.  
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.



# EXHIBIT "B"

# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
2307400	2307400 ONTARIO INC.	2011/11/28	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address		Date Amalgamated	Amalgamation Ind.
101 MAIN STREET EAST		NOT APPLICABLE	NOT APPLICABLE
<b>Suite # 29</b> HUNTSVILLE ONTARIO CANADA P1H 2C6		New Amal. Number	Notice Date
		NOT APPLICABLE	NOT APPLICABLE
		Letter Date	
Mailing Address		NOT APPLICABLE	
101 MAIN STREET EAST		Revival Date	Continuation Date
<b>Suite # 29</b> HUNTSVILLE ONTARIO CANADA P1H 2C6		NOT APPLICABLE	NOT APPLICABLE
		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	NOT APPLICABLE
		EP Licence Eff.Date	EP Licence Term.Date
		NOT APPLICABLE	NOT APPLICABLE
		Date Commenced in Ontario	Date Ceased in Ontario
		00001	00010
Activity Classification		NOT APPLICABLE	NOT APPLICABLE
NOT AVAILABLE			

## CORPORATION PROFILE REPORT

### Ontario Corp Number

2307400

### Corporation Name

2307400 ONTARIO INC.

### Corporate Name History

2307400 ONTARIO INC.

### Effective Date

2011/11/28

### Current Business Name(s) Exist:

NO

### Expired Business Name(s) Exist:

NO

### Administrator: Name (Individual / Corporation)

RAY  
JARVIS

### Address

101 MAIN STREET EAST  
  
Suite # 29  
HUNTSVILLE  
ONTARIO  
CANADA P1H 2C6

### Date Began

2015/06/29

### First Director

NOT APPLICABLE

### Designation

DIRECTOR

### Officer Type

### Resident Canadian

Y

## CORPORATION PROFILE REPORT

### Ontario Corp Number

2307400

### Corporation Name

2307400 ONTARIO INC.

### Administrator:

#### Name (Individual / Corporation)

RAY

JARVIS

#### Address

101 MAIN STREET EAST

Suite # 29  
HUNTSVILLE  
ONTARIO  
CANADA P1H 2C6

### Date Began

2015/06/29

### First Director

NOT APPLICABLE

### Designation

OFFICER

### Officer Type

PRESIDENT

### Resident Canadian

Y

### Administrator:

#### Name (Individual / Corporation)

RAY

JARVIS

#### Address

101 MAIN STREET EAST

Suite # 29  
HUNTSVILLE  
ONTARIO  
CANADA P1H 2C6

### Date Began

2015/06/29

### First Director

NOT APPLICABLE

### Designation

OFFICER

### Officer Type

SECRETARY

### Resident Canadian

Y

## CORPORATION PROFILE REPORT

### Ontario Corp Number

2307400

### Corporation Name

2307400 ONTARIO INC.

### Administrator:

#### Name (Individual / Corporation)

RAY  
JARVIS

#### Address

17 LAKE DRIVE  
  
HUNTSVILLE  
ONTARIO  
CANADA P1H 1G1

### Date Began

2015/07/02

### First Director

NOT APPLICABLE

### Designation

DIRECTOR

### Officer Type

### Resident Canadian

Y

### Administrator:

#### Name (Individual / Corporation)

RAY  
JARVIS

#### Address

17 LAKE DRIVE  
  
HUNTSVILLE  
ONTARIO  
CANADA P1H 1G1

### Date Began

2015/07/02

### First Director

NOT APPLICABLE

### Designation

OFFICER

### Officer Type

PRESIDENT

### Resident Canadian

Y

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

2307400

**Corporation Name**

2307400 ONTARIO INC.

**Administrator:**

**Name (Individual / Corporation)**

RAY

JARVIS

**Address**

17 LAKE DRIVE

HUNTSVILLE  
ONTARIO  
CANADA P1H 1G1

**Date Began**

2015/07/02

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

SECRETARY

**Resident Canadian**

Y

## CORPORATION PROFILE REPORT

### Ontario Corp Number

2307400

### Corporation Name

2307400 ONTARIO INC.

### Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2016/02/16 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.  
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

# EXHIBIT "C"



# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
2209326	2209326 ONTARIO LTD.	2009/06/16	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address		Date Amalgamated	Amalgamation Ind.
29 MAIN STREET EAST		NOT APPLICABLE	NOT APPLICABLE
<b>Suite # 101</b> HUNTSVILLE ONTARIO CANADA P1H 2C6		New Amal. Number	Notice Date
		NOT APPLICABLE	NOT APPLICABLE
		Letter Date	
Mailing Address		NOT APPLICABLE	
29 MAIN STREET EAST		Revival Date	Continuation Date
<b>Suite # 101</b> HUNTSVILLE ONTARIO CANADA P1H 2C6		NOT APPLICABLE	NOT APPLICABLE
		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	NOT APPLICABLE
		EP Licence Eff.Date	EP Licence Term.Date
		NOT APPLICABLE	NOT APPLICABLE
		Date Commenced in Ontario	Date Ceased in Ontario
		NOT APPLICABLE	NOT APPLICABLE
		Number of Directors Minimum	Maximum
		00001	00005
Activity Classification	NOT APPLICABLE		
NOT AVAILABLE			

## CORPORATION PROFILE REPORT

### Ontario Corp Number

2209326

### Corporation Name

2209326 ONTARIO LTD.

### Corporate Name History

2209326 ONTARIO LTD.

### Effective Date

2009/06/16

### Current Business Name(s) Exist:

NO

### Expired Business Name(s) Exist:

NO

### Administrator: Name (Individual / Corporation)

RAY  
JARVIS

### Address

75 WEST ROAD  
  
HUNTSVILLE  
ONTARIO  
CANADA P1H 1T4

### Date Began

2013/11/26

### First Director

NOT APPLICABLE

### Designation

DIRECTOR

### Officer Type

### Resident Canadian

Y

## CORPORATION PROFILE REPORT

### Ontario Corp Number

2209326

### Corporation Name

2209326 ONTARIO LTD.

### Administrator:

#### Name (Individual / Corporation)

RAY  
JARVIS

#### Address

75 WEST ROAD  
  
HUNTSVILLE  
ONTARIO  
CANADA P1H 1T4

### Date Began

2013/11/26

### First Director

NOT APPLICABLE

### Designation

OFFICER

### Officer Type

PRESIDENT

### Resident Canadian

Y

### Administrator:

#### Name (Individual / Corporation)

RAY  
JARVIS

#### Address

75 WEST ROAD  
  
HUNTSVILLE  
ONTARIO  
CANADA P1H 1T4

### Date Began

2013/11/26

### First Director

NOT APPLICABLE

### Designation

OFFICER

### Officer Type

SECRETARY

### Resident Canadian

Y

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

2209326

**Corporation Name**

2209326 ONTARIO LTD.

**Administrator:  
Name (Individual / Corporation)**

RAY  
JARVIS

**Address**

75 WEST ROAD  
  
HUNTSVILLE  
ONTARIO  
CANADA P1H 1T4

**Date Began**

2013/11/26

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

TREASURER

**Resident Canadian**

Y

## CORPORATION PROFILE REPORT

### Ontario Corp Number

2209326

### Corporation Name

2209326 ONTARIO LTD.

### Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2014	1C	2019/04/07 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

# EXHIBIT "D"

# Tab 1

PROPERTY DESCRIPTION: 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

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT ABSOLUTE PLUS

RECENTLY:  
CONDOMINIUM FROM 48098-0761

PIN CREATION DATE:  
2015/05/19

OWNERS' NAMES  
2209326 ONTARIO LTD.  
2307400 ONTARIO INC.

CAPACITY SHARE  
TCOM 50.0%  
TCOM 50.0%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**SUBJECT TO SUBSECTION	44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *					
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **					
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **					
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
BU2519	1930/10/09	TRANSFER EASEMENT	REMARKS: SKETCH ATTACHED.	THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C	
DM62325	1968/01/08	BYLAW				
DM79260	1970/10/05	NOTICE OF CLAIM				
DM180696	1984/04/27	AGREEMENT				
DM252917	1991/07/31	AGREEMENT				
REMARKS: SITE PLAN						
DM290896	1996/06/25	TRANSFER EASEMENT	REMARKS: SITE PLAN	THE DISTRICT MUNICIPALITY OF MUSKOKA	C	
DM296056	1997/02/21	AGREEMENT				
DM299414	1997/07/28	AGREEMENT				
REMARKS: SITE PLAN						
DM303917	1998/02/17	AGREEMENT				
MT3301	2005/06/28	NOTICE AGREEMENT	HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 1						
MT152759	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 2						
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
REMARKS: MT154628						
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT191216						
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT154628 & MT163881 TO MT191216						
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES		C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.	BDO CANADA LIMITED	C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C
REMARKS: CERTIFICATE OF ACTION MT213302						

# Tab 2

48880-0002 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION:									
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									
PROPERTY REMARKS:									
FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.									
ESTATE/QUALIFIER:									
FEE SIMPLE									
LT ABSOLUTE PLUS									
OWNERS' NAMES									
2209326 ONTARIO LTD.									
2307400 ONTARIO INC.									
RECENTLY:									
CONDOMINIUM FROM 48098-0761									
CAPACITY SHARE									
TCOM 50.0%									
TCOM 50.0%									
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD			
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **								
**SUBJECT TO	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *								
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **								
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **								
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY									
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C			
REMARKS: SKETCH ATTACHED.									
DM62325	1968/01/08	BYLAW				C			
DM79260	1970/10/05	NOTICE OF CLAIM				C			
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C			
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C			
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
MT3301	2005/06/28	NOTICE AGREEMENT	HOME HARDWARE STORES LIMITED		THE CORPORATION OF THE TOWN OF HUNTSVILLE	C			

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 1						
MT152759	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 2						
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
REMARKS: MT154628						
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT191216						
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT154628 & MT163881 TO MT191216						
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES		C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.	BDO CANADA LIMITED	C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C
REMARKS: CERTIFICATE OF ACTION MT213302						

# Tab 3

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

<u>PROPERTY DESCRIPTION:</u> 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						
<u>PROPERTY REMARKS:</u> FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.						
<u>ESTATE/QUALIFIER:</u> FEE SIMPLE LT ABSOLUTE PLUS						
<u>OWNERS' NAMES</u> 2209326 ONTARIO LTD. 2307400 ONTARIO INC.						
<u>RECENTLY:</u> CONDOMINIUM FROM 48098-0761						
<u>CAPACITY SHARE</u> TCOM 50.0% TCOM 50.0%						
<u>PIN CREATION DATE:</u> 2015/05/19						
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**SUBJECT TO SUBSECTION	44 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *					
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **					
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **					
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C
REMARKS: SKETCH ATTACHED.						
DM62325	1968/01/08	BYLAW			TOWN OF HUNTSVILLE	C
DM79260	1970/10/05	NOTICE OF CLAIM			TOWN OF HUNTSVILLE	C
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C
DM252917	1991/07/31	AGREEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C
REMARKS: SITE PLAN						
DM290896	1996/06/25	TRANSFER EASEMENT			TOWN OF HUNTSVILLE	C
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM299414	1997/07/28	AGREEMENT	TOWN OF HUNTSVILLE	C		
REMARKS: SITE PLAN						
DM303917	1998/02/17	AGREEMENT	TOWN OF HUNTSVILLE	C		
MT3301	2005/06/28	NOTICE AGREEMENT	HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C	
MT151229	2015/04/16	NOTICE	THE DISTRICT MUNICIPALITY OF MUSKOKA		C	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MCF80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758 REMARKS: BY-LAW NO. 1	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT152759 REMARKS: BY-LAW NO. 2	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881 REMARKS: MT154628	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217 REMARKS: MT191216	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
MT194226 REMARKS: MT154628 & MT163881 TO MT191216	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.		C
MT215140 REMARKS: CERTIFICATE OF ACTION MT213302	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# Tab 4



<div>PROPERTY DESCRIPTION: 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</div> <div>PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.</div> <div>ESTATE/QUALIFIER: FEE SIMPLE LT ABSOLUTE PLUS</div> <div>OWNERS' NAMES 2209326 ONTARIO LTD. 2307400 ONTARIO INC.</div> <div>RECENTLY: CONDOMINIUM FROM 48098-0761</div> <div>CAPACITY SHARE TCOM 50.0% TCOM 50.0%</div> <div>PIN CREATION DATE: 2015/05/19</div>						
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **					
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **					
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C
REMARKS: SKETCH ATTACHED.						
DM62325	1968/01/08	BYLAW				C
DM79260	1970/10/05	NOTICE OF CLAIM				C
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
MT3301	2005/06/28	NOTICE AGREEMENT		HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT152759	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES	BDO CANADA LIMITED	C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.		C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C

# Tab 5

LAND  
REGISTRY  
OFFICE #35

48880-0005 (LT)

PAGE 1 OF 2  
PREPARED FOR dipierdomenico  
ON 2020/01/31 AT 10:07:51

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

<u>PROPERTY DESCRIPTION:</u> 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						
<u>PROPERTY REMARKS:</u> FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.						
<u>ESTATE/QUALIFIER:</u> FEE SIMPLE LT ABSOLUTE PLUS  <u>OWNERS' NAMES</u> 2209326 ONTARIO LTD. 2307400 ONTARIO INC.						
<u>RECENTLY:</u> CONDOMINIUM FROM 48098-0761  <u>CAPACITY SHARE</u> TCOM 50.0% TCOM 50.0%						
<u>PIN CREATION DATE:</u> 2015/05/19						
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**SUBJECT TO SUBSECTION	44 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *					
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **					
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **					
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C
REMARKS: SKETCH ATTACHED.						
DM62325	1968/01/08	BYLAW				C
DM79260	1970/10/05	NOTICE OF CLAIM				C
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
MT3301	2005/06/28	NOTICE AGREEMENT		HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

48880-0005 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT152759	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES	BDO CANADA LIMITED	C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.		C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# Tab 6

PROPERTY DESCRIPTION: 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

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.

ESTATE/QUALIFIER: RECENTLY: PIN CREATION DATE:  
FEE SIMPLE CONDOMINIUM FROM 48098-0761 2015/05/19  
LT ABSOLUTE PLUS

OWNERS' NAMES  
2209326 ONTARIO LTD.  
2307400 ONTARIO INC.  
CAPACITY SHARE  
TCOM 50.0%  
TCOM 50.0%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED)	**			
**SUBJECT TO	SUBSECTION	44 (1) OF THE LAND TITLES ACT, EXCEPT	PARAGRAPHS 3 AND 14 AND *			
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT	PARAGRAPH 11 AND ESCHEATS OR FORFEITURE	**			
**	TO THE CROWN	UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE.	**			
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C
	REMARKS: SKETCH ATTACHED.					
DM62325	1968/01/08	BYLAW				C
DM79260	1970/10/05	NOTICE OF CLAIM				C
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C
	REMARKS: SITE PLAN					
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C
	REMARKS: SITE PLAN					
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C
	REMARKS: SITE PLAN					
DM3303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C
	REMARKS: SITE PLAN					
MT3301	2005/06/28	NOTICE AGREEMENT		HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT152759	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES	BDO CANADA LIMITED	C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.		C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C



# Tab 7

48880-0007 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

<div>PROPERTY DESCRIPTION: 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</div> <div>FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.</div> <div>PROPERTY REMARKS: ESTATE/QUALIFIER: FEE SIMPLE LT ABSOLUTE PLUS</div> <div>OWNERS' NAMES 2209326 ONTARIO LTD. 2307400 ONTARIO INC.</div> <div>RECENTLY: CONDOMINIUM FROM 48098-0761</div> <div>CAPACITY SHARE TCOM 50.0% TCOM 50.0%</div> <div>PIN CREATION DATE: 2015/05/19</div>						
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**SUBJECT TO SUBSECTION	44 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *					
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **					
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **					
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C
REMARKS: SKETCH ATTACHED.						
DM62325	1968/01/08	BYLAW			C	
DM79260	1970/10/05	NOTICE OF CLAIM			C	
DM180696	1984/04/27	AGREEMENT			C	
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM3303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
MT3301	2005/06/28	NOTICE AGREEMENT			HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

48880-0007 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				
MT152390	2015/05/19	CONDO DECLARATION				
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 1						
MT152759	2015/05/29	CONDO BYLAW/98				
REMARKS: BY-LAW NO. 2			\$375,000	MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT154626	2015/07/06	CHARGE				
MT154627	2015/07/06	NO ASSGN RENT GEN	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	TURNER, ANDREW	C
REMARKS: MT154626						
MT154628	2015/07/06	CHARGE				
MT163880	2016/02/16	POSTPONEMENT		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	TURNER, ANDREW  WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM  BRANNAN, DEBORAH WATER DRAGON HOLDINGS INC. CANADIAN WESTERN TRUST COMPANY MCAP HOLDINGS INC.	C
REMARKS: MT154626 TO MT163864						
MT163881	2016/02/16	NOTICE				
REMARKS: MT154628			\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT191216	2017/10/26	CHARGE				
MT191217	2017/10/26	NO ASSGN RENT GEN				
REMARKS: MT191216				2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
127						
MT191258	2017/10/26	POSTPONEMENT				
REMARKS: MT154628 & MT163881 TO MT191216				WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES	BDO CANADA LIMITED	C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.		C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C
REMARKS: CERTIFICATE OF ACTION MT213302						

# Tab 8

48880-0008 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION:					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				
PROPERTY REMARKS:					FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.				
ESTATE/QUALIFIER:					RECENTLY:				
FEE SIMPLE					CONDOMINIUM FROM 48098-0761				
LT ABSOLUTE PLUS									
OWNERS' NAMES					CAPACITY SHARE				
2209326 ONTARIO LTD.					TCOM 50.0%				
2307400 ONTARIO INC.					TCOM 50.0%				
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD			
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **								
**SUBJECT TO SUBSECTION	44 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *								
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **								
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **								
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY									
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C			
	REMARKS: SKETCH ATTACHED.								
DM62325	1968/01/08	BYLAW				C			
DM79260	1970/10/05	NOTICE OF CLAIM				C			
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C			
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C			
	REMARKS: SITE PLAN								
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C			
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C			
	REMARKS: SITE PLAN								
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C			
	REMARKS: SITE PLAN								
DM303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C			
	REMARKS: SITE PLAN								
MT3301	2005/06/28	NOTICE AGREEMENT		HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C			

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

48880-0008 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98 REMARKS: BY-LAW NO. 1		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT152759	2015/05/29	CONDO BYLAW/98 REMARKS: BY-LAW NO. 2		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT154626	2015/07/06	CHARGE	\$375,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	TURNER, ANDREW	C
MT154627	2015/07/06	NO ASSGN RENT GEN REMARKS: MT154626		2307400 ONTARIO INC. 2209326 ONTARIO LTD.	TURNER, ANDREW	C
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163880	2016/02/16	POSTPONEMENT		TURNER, ANDREW	BRANNAN, DEBORAH WATER DRAGON HOLDINGS INC. CANADIAN WESTERN TRUST COMPANY MCAP HOLDINGS INC.	C
MT163881	2016/02/16	NOTICE REMARKS: MT154626 TO MT163864		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN REMARKS: MT191216		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
131 MT191258	2017/10/26	POSTPONEMENT REMARKS: MT154628 & MT163881 TO MT191216		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

48880-0008 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES	BDO CANADA LIMITED	C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.		C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C
REMARKS: CERTIFICATE OF ACTION MT213302						



# Tab 9

48880-0009 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

<u>PROPERTY DESCRIPTION:</u> 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						
<u>PROPERTY REMARKS:</u> FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.						
<u>ESTATE/QUALIFIER:</u> FEE SIMPLE LT ABSOLUTE PLUS						
<u>OWNERS' NAMES</u> 2209326 ONTARIO LTD. 2307400 ONTARIO INC.						
<u>RECENTLY:</u> CONDOMINIUM FROM 48098-0761						
<u>CAPACITY SHARE</u> TCOM 50.0% TCOM 50.0%						
<u>PIN CREATION DATE:</u> 2015/05/19						
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**SUBJECT TO SUBSECTION	44 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *					
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **					
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **					
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C
REMARKS: SKETCH ATTACHED.						
DM62325	1968/01/08	BYLAW				C
DM79260	1970/10/05	NOTICE OF CLAIM				C
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
MT3301	2005/06/28	NOTICE AGREEMENT		HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT152759	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES	BDO CANADA LIMITED	C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.		C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C

REMARKS: CERTIFICATE OF ACTION MT213302

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# Tab 10

PROPERTY DESCRIPTION: 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									
FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.									
PROPERTY REMARKS: ESTATE/QUALIFIER: FEE SIMPLE LT ABSOLUTE PLUS									
OWNERS' NAMES 2209326 ONTARIO LTD. 2307400 ONTARIO INC.									
RECENTLY: CONDOMINIUM FROM 48098-0761									
CAPACITY SHARE TCOM 50.0% TCOM 50.0%									
PIN CREATION DATE: 2015/05/19									
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD			
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **								
**SUBJECT TO	SUBSECTION	44 (1) OF THE LAND TITLES ACT, EXCEPT	PARAGRAPHS 3 AND 14 AND *						
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **								
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **								
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY									
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C			
REMARKS: SKETCH ATTACHED.									
DM62325	1968/01/08	BYLAW				C			
DM79260	1970/10/05	NOTICE OF CLAIM				C			
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C			
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C			
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C			
MT3301	2005/06/28	NOTICE AGREEMENT		HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C			

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 1						
MT152759	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 2						
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
REMARKS: MT154628						
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT191216						
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT154628 & MT163881 TO MT191216						
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES		C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.	BDO CANADA LIMITED	C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C
REMARKS: CERTIFICATE OF ACTION MT213302						

# Tab 11

48880-0011 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION:					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				
PROPERTY REMARKS:					FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.				
ESTATE/QUALIFIER:					RECENTLY:				
FEE SIMPLE					CONDOMINIUM FROM 48098-0761				
LT ABSOLUTE PLUS									
OWNERS' NAMES					CAPACITY SHARE				
2209326 ONTARIO LTD.					TCOM 50.0%				
2307400 ONTARIO INC.					TCOM 50.0%				
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD			
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **								
**SUBJECT TO	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *								
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **								
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **								
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY									
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C			
REMARKS: SKETCH ATTACHED.									
DM62325	1968/01/08	BYLAW				C			
DM79260	1970/10/05	NOTICE OF CLAIM				C			
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C			
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C			
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C			
NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.									
MT3301	2005/06/28	NOTICE AGREEMENT		HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C			



\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 1						
MT152759	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 2						
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
REMARKS: MT154628						
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT191216						
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT154628 & MT163881 TO MT191216						
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES		C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.	BDO CANADA LIMITED	C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C
REMARKS: CERTIFICATE OF ACTION MT213302						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# Tab 12

48880-0012 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION:					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				
PROPERTY REMARKS:					FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.				
ESTATE/QUALIFIER:					RECENTLY:				
FEE SIMPLE					CONDOMINIUM FROM 48098-0761				
LT ABSOLUTE PLUS									
OWNERS' NAMES					CAPACITY SHARE				
2209326 ONTARIO LTD.					TCOM 50.0%				
2307400 ONTARIO INC.					TCOM 50.0%				
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD			
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **								
**SUBJECT TO	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *								
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **								
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **								
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY									
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C			
REMARKS: SKETCH ATTACHED.									
DM62325	1968/01/08	BYLAW				C			
DM79260	1970/10/05	NOTICE OF CLAIM				C			
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C			
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C			
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
DM303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C			
REMARKS: SITE PLAN									
MT3301	2005/06/28	NOTICE AGREEMENT		HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C			

48880-0012 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 1						
MT152759	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 2						
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
REMARKS: MT154628						
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT191216						
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT154628 & MT163881 TO MT191216						
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES		C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.	BDO CANADA LIMITED	C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C
REMARKS: CERTIFICATE OF ACTION MT213302						

# Tab 13

48880-0013 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

<u>PROPERTY DESCRIPTION:</u> 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						
<u>PROPERTY REMARKS:</u> FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.						
<u>ESTATE/QUALIFIER:</u> FEE SIMPLE LT ABSOLUTE PLUS						
<u>OWNERS' NAMES</u> 2209326 ONTARIO LTD. 2307400 ONTARIO INC.						
<u>RECENTLY:</u> CONDOMINIUM FROM 48098-0761						
<u>CAPACITY SHARE</u> TCOM 50.0% TCOM 50.0%						
<u>PIN CREATION DATE:</u> 2015/05/19						
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**SUBJECT TO SUBSECTION	44 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *					
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **					
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **					
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C
REMARKS: SKETCH ATTACHED.						
DM62325	1968/01/08	BYLAW			C	
DM79260	1970/10/05	NOTICE OF CLAIM			C	
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C
REMARKS: SITE PLAN						
DM303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C
MT3301	2005/06/28	NOTICE AGREEMENT			HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 1						
MT152759	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 2						
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
REMARKS: MT154628						
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT191216						
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT154628 & MT163881 TO MT191216						
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES	BDO CANADA LIMITED	C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.		C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C
REMARKS: CERTIFICATE OF ACTION MT213302						

# Tab 14



PROPERTY DESCRIPTION: 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

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/06/24.

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT ABSOLUTE PLUS

RECENTLY:  
CONDOMINIUM FROM 48098-0761

PIN CREATION DATE:  
2015/05/19

OWNERS' NAMES  
2209326 ONTARIO LTD.  
2307400 ONTARIO INC.

CAPACITY SHARE  
TCOM 50.0%  
TCOM 50.0%

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**SUBJECT TO SUBSECTION	44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *					
**	PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **					
**	TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **					
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
BU2519	1930/10/09	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA, LIMITED	C
	REMARKS: SKETCH ATTACHED.					
DM62325	1968/01/08	BYLAW				C
DM79260	1970/10/05	NOTICE OF CLAIM				C
DM180696	1984/04/27	AGREEMENT			TOWN OF HUNTSVILLE	C
DM252917	1991/07/31	AGREEMENT			TOWN OF HUNTSVILLE	C
	REMARKS: SITE PLAN					
DM290896	1996/06/25	TRANSFER EASEMENT			THE DISTRICT MUNICIPALITY OF MUSKOKA	C
DM296056	1997/02/21	AGREEMENT			TOWN OF HUNTSVILLE	C
	REMARKS: SITE PLAN					
DM299414	1997/07/28	AGREEMENT			TOWN OF HUNTSVILLE	C
	REMARKS: SITE PLAN					
DM303917	1998/02/17	AGREEMENT			TOWN OF HUNTSVILLE	C
	REMARKS: SITE PLAN					
MT3301	2005/06/28	NOTICE AGREEMENT		HOME HARDWARE STORES LIMITED	THE CORPORATION OF THE TOWN OF HUNTSVILLE	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
MT151229	2015/04/16	NOTICE		THE DISTRICT MUNICIPALITY OF MUSKOKA		C
MCP80	2015/05/19	STANDARD CONDO PLN				C
MT152390	2015/05/19	CONDO DECLARATION		2209326 ONTARIO LTD. 2307400 ONTARIO INC.		C
MT152758	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 1						
MT152759	2015/05/29	CONDO BYLAW/98		MUSKOKA STANDARD CONDOMINIUM CORPORATION NO. 80		C
REMARKS: BY-LAW NO. 2						
MT154628	2015/07/06	CHARGE	\$472,097	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
MT163881	2016/02/16	NOTICE		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	C
REMARKS: MT154628						
MT191216	2017/10/26	CHARGE	\$5,500,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
MT191217	2017/10/26	NO ASSGN RENT GEN		2209326 ONTARIO LTD. 2307400 ONTARIO INC.	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT191216						
MT191258	2017/10/26	POSTPONEMENT		WALLACE, CATHERINE ELIZABETH WALLACE, SCOTT WILLIAM	PACE SAVINGS & CREDIT UNION LIMITED	C
REMARKS: MT154628 & MT163881 TO MT191216						
MT194226	2018/01/04	CHARGE	\$450,000	2209326 ONTARIO LTD. 2307400 ONTARIO INC.	CANADIAN WESTERN TRUST COMPANY	C
MT210440	2019/03/05	CAUTION LND BKRUPT		PLAYER, WILLIAM CHARLES		C
MT213302	2019/05/29	CONSTRUCTION LIEN	\$25,000	DAEL THERMAL GROUP INC.	BDO CANADA LIMITED	C
MT215140	2019/07/08	CERTIFICATE		DAEL THERMAL GROUP INC.		C
REMARKS: CERTIFICATE OF ACTION MT213302						

# EXHIBIT "E"

Properties

PIN	48880 - 0001    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0002    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0004    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0005    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0006    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0007    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0008    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0009    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0010    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0011    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0012    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0013    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0014    LT
Description	UNIT 14, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS

Properties

SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE

Address    HUNTSVILLE

Bankrupt(s)

Name    PLAYER, WILLIAM CHARLES

Address for Service    2054 DWINNELL RD.,  
BARRIE, ONTARIO,  
L4M 4Y8

Trustee(s)CapacityShare

Name    BDO CANADA LIMITED

Address for Service    300 LAKESHORE DRIVE.,  
SUITE 202,  
BARRIE, ONTARIO,  
L4N 0B4

I, STELLA MILLIS, have the authority to bind the corporation

Statements

The applicant is entitled as Trustee in Bankruptcy to register a caution against the land under the Bankruptcy and Insolvency Act.  
Schedule: See Schedules

Signed By

Jeysa Martinez	1220 Eglinton Ave. W. Toronto M6C 2E3	acting for Trustee(s)	First Signed	2019 03 05
Tel    416-789-0652				
Fax    416-789-9015				
Jeysa Martinez	1220 Eglinton Ave. W. Toronto M6C 2E3	acting for Trustee(s)	Last Signed	2019 05 09
Tel    416-789-0652				
Fax    416-789-9015				

I have the authority to sign and register the document on behalf of the Trustee(s).

Submitted By

LIPMAN ZENER WAXMAN	1220 Eglinton Ave. W. Toronto M6C 2E3	2019 05 09
Tel    416-789-0652		
Fax    416-789-9015		

Fees/Taxes/Payment

Statutory Registration Fee	\$64.40
Total Paid	\$64.40

## SCHEDULE

The attached Order from the Ontario Superior Court of Justice (Bankruptcy Court) Division No. 03-Barrie, dated January 8<sup>th</sup>, 2019, Court File No. 31-2362647, attached hereto appoints BDO Canada Limited as the Trustee in Bankruptcy or Licensed Insolvency Trustee in the bankruptcy estate of William Player. A Caution may be registered against the within property as per the Resolution attached and Pursuant to Section 74 (3) of the Bankruptcy and Insolvency Act.

The Trustee hereby believes that William Player has an interest in the within properties pursuant to Section 74 (3) of the Bankruptcy and Insolvency Act.

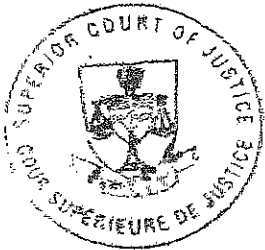
District of Ontario  
Division No. 03-Barrie  
Court File No. 31-2362647  
Estate File No. 31-2362647

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(BANKRUPTCY COURT)

THE HONOURABLE *Justice Penny*  
JUSTICE PENNY

)  
)  
)

TUESDAY THE 8<sup>th</sup>  
DAY OF JANUARY, 2019



IN THE MATTER OF THE PROPOSAL OF WILLIAM PLAYER  
of the Town of MINESING, in the County of SIMCOE,  
in the Province of ONTARIO

ORDER

THIS MOTION made by Mark Abbott for an order pursuant to section 14.04 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "*BIA*"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Amended Notice of Motion of Mark Abbott dated December 18, 2018 and the Affidavits of Mark Abbott affirmed August 1, 2018 and December 13, 2018 and being advised by counsel of the consent of Mark Abbott, Morgan & Partners Inc. ("MPI") and John Morgan to the form and content of this order,

1. THIS COURT ORDERS that MPI be removed as Trustee in Bankruptcy or Licensed Insolvency Trustee in the bankruptcy estates of William Player bearing Estate File No.: 31-2362647 and Joanne Harpell bearing Estate File No.: 31-2419983 and, effective as at the date of this order, replaced by BDO Canada Limited. For greater certainty, this order is made without any findings or determination of wrongdoing by MPI

or John Morgan. A duplicate copy of this order shall be filed in the Bankruptcy of Joanne Harpell bearing Estate File No.: 31-2419983.

2. THIS COURT ORDERS that MPI shall comply with its duties pursuant to the BIA, including section 36(1) of the BIA.

3. THIS COURT ORDERS that MPI shall continue to hold the payment made in connection with the amended proposal of William Player dated July 9, 2018 subject to further order of this Court or consent of Ray Jarvis, Fuller Landau Group Inc. in its capacity as Interim Receiver of the assets of Mr. Player pursuant to the Order of Justice Conway dated February 22, 2018 as amended by the Amended Order of Justice Halney dated April 6, 2018, and MPI.

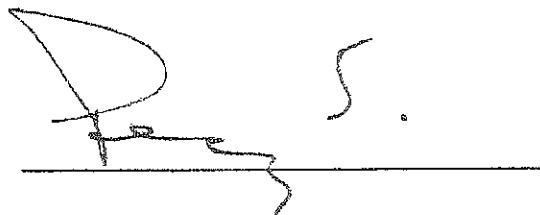
4. THIS COURT ORDERS that the action styled *Mark Abbott v. William Player et al.* and bearing court file number CV-18-602482 (the "Action") is discontinued as against Mr. John Morgan and MPI on a without costs, with prejudice basis. A duplicate copy of this order shall be filed in the Action.

5. THIS COURT ORDERS that Mark Abbott has leave to file a fresh as amended statement of claim in the Action.

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

JAN 10 2019

PER / PAR *RL*

A handwritten signature, likely of Ray Jarvis, is written over a horizontal line. The signature is stylized and appears to be 'Ray Jarvis'.



IN THE MATTER OF THE PROPOSAL OF WILLIAM PLAYER  
of the Town of MINESING, in the County of SIMCOE, in the  
Province of ONTARIO

District of Ontario  
Division No. 03-Barré  
Court File No. 31-2362647  
Estate File No. 31-2362647

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(BANKRUPTCY COURT)

PROCEEDING COMMENCED AT TORONTO

ORDER

GOWLING WLG (CANADA) LLP  
Barristers & Solicitors  
1 First Canadian Place  
100 King Street West, Suite 1600  
Toronto ON M5X 1G5

C. Haddon Murray (61640P)  
haddon.murray@gowlingwlg.com  
Tel: 416-862-3604  
Fax: 416-862-7661

Lawyers for Morgan & Partners Inc. and John Morgan

District of Ontario  
Division No. 03 – Barrie  
Court No. 31-2362647  
Estate No. 31-2362647

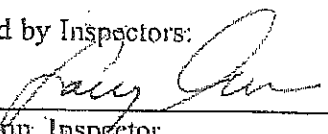
IN THE MATTER OF THE BANKRUPTCY OF  
WILLIAM CHARLES PLAYER  
OF THE TOWN OF MINESING, IN THE COUNTY OF SIMCOE  
IN THE PROVINCE OF ONTARIO

INSPECTORS RESOLUTION

IT IS RESOLVED THAT the Trustee be approved to register a Caution on the following properties:

- (a) Ardagh Rd.: Part Lot 3, Concession 14, designated as Part 1, 51R37857, and Blocks 160, 161, 162, 163, and 164, 51M-867, Lots 11 to 20 and Block T, Plan 845 and part Lot 2, Concession 14, Innisfil, being Parts 1 to 11, 51R33917, Except 51M-867, City of Barrie (PIN 58763 1249)
- (b) 3239 Penetanguishene Road, Craighurst, ON; PT LT 40 CON 1 EPR ORO PT 1 51R33, ORO-MEDONTE; PT LT 40 CON 1 ERP ORO PT 1, 51R2512, ORO-MEDONTE (PINS 585340009, 585340204, 585340160)
- (c) 2049 Horseshoe Valley Road W, Craighurst, ON; PT LT 40 CON 1 EPR ORO PT 1, 51R28647; ORO-MEDONTE (PIN 585340008)
- (d) 2019 Horseshoe Valley Road, Craighurst, ON; PT LT 40 CON EPR ORO PT 1 51R29851 EXCEPT PT 1 R1R30133; ORO-MEDONTE (PIN 585340205)
- (e) Nestleton Property; PT LT 17 CON 7; TOWNSHIP OF SCUGOG, part of lot 17 concession 7 Township of Scugog being 100 acres more or less being draft plan approved for 29 estate lots as per Durham Region file 18T-90042
- (f) 205 Ontario Street, Burks Falls, ON (PIN 521390183)
- (g) 89 Ontario Street, Burks Falls, ON (PIN 521420217)
- (h) 193 Ontario Street, Burks Falls, ON (PIN 521390177)
- (i) 14 Manitoba Street, Bracebridge, ON (PIN 41140337)
- (j) 3 Crescent Road, Huntsville, ON (PINS 488800001, 488800002, 488800004, 488800005, 488800006, 488800007, 488800008, 488800009, 488800010, 488800011, 488800012, 488800013, 488800014)

Approved by Inspectors:

  
\_\_\_\_\_  
Larry Dufin, Inspector

FEB 15/19  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Jeffrey Klein, Inspector

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ken Pearl, Inspector

\_\_\_\_\_  
Date

\_\_\_\_\_  
Dino Melchoir, Inspector

\_\_\_\_\_  
Date

# EXHIBIT "F"

Properties

PIN	48880 - 0001    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0002    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0003    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0004    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0005    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0006    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0007    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0008    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0009    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0010    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0011    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0012    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0013    LT
Description	UNIT 13, LEVEL 1, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS

Properties	
	SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE
Address	HUNTSVILLE
PIN	48880 - 0014    LT
Description	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
Address	HUNTSVILLE
PIN	48880 - 0015    LT
Description	UNIT 1, LEVEL 2, MUSKOKA STANDARD CONDOMINIUM PLAN NO. 80 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN MT152390; TOWN OF HUNTSVILLE
Address	3 CRESCENT ROAD HUNTSVILLE

Consideration	
Consideration	\$24,999.96

Claimant(s)	
Name	DAEL THERMAL GROUP INC.
Address for Service	50 Airview Road, Unit 17 Toronto, Ontario M9W 4P2
I, Vincent Brisbin, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.	
I, Vincent Brisbin, have the authority to bind the corporation.	
This document is not authorized    under Power of Attorney by this party.	

Statements	
Name and Address    of Owner See Schedule "A" attached Name and address of    person to whom lien claimant supplied services or materials Costellos of Craighurst Inc., 3239 Penetanguishene Road, Craighurst, Ontario, L4M 4Y8, and continued on Schedule "A" attached Time within which services or materials were supplied from 2017/11/29 to 2019/05/08 Short description of services or materials that have been supplied To supply and install a new HVAC Heating system for the two floor storage section and ancillary work.    Contract price or subcontract price \$129,950.00 Amount claimed as owing in respect of services or materials that have been supplied \$24,999.96	
The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien	
Schedule:    See Schedules	

Signed By				
Rejean David Theriault	135 Queens Plate Drive Suite 600 Etobicoke M9W 6V7	acting for Applicant(s)	Signed	2019 05 29
Tel	416-746-4710			
Fax	416-746-8319			
I have the authority to sign and register the document on behalf of the Applicant(s).				

Submitted By		
Loopstra Nixon LLP	135 Queens Plate Drive Suite 600 Etobicoke M9W 6V7	2019 05 29
Tel	416-746-4710	
Fax	416-746-8319	

Fees/Taxes/Payment	
Statutory Registration Fee	\$64.40
Total Paid	\$64.40

## **SCHEDULE “A”**

### **Name and Address of owner:**

1. Noble House Development Corporation, 29 Main Street, Suite 101, Huntsville, Ontario, P1H 2C6
2. Huntsville Heated Mini Storage, 3 Crescent Road, Huntsville, Ontario, P1H 1Y3
3. Costellos of Craighurst Inc., 3239 Penetanguishene Road, Craighurst, Ontario, L4M 4Y8
4. 2209326 Ontario Inc., 29 Main Street, Suite 101, Huntsville, Ontario, P1H 2C6
5. 2307400 Ontario Inc., 101 Main Street, Suite 29, Huntsville, Ontario, P1H 2C6 / 29 Main Street, Suite 101, Huntsville, Ontario, P1H 2C6
6. Huntsville Heated Mini Storage, as tenant, 3 Crescent Road, Huntsville, Ontario, P1H 1Y3
7. Costellos of Craighurst Inc., as tenant, 3239 Penetanguishene Road, Craighurst, Ontario, L4M 4Y8

### **Name of persons to whom lien claimant supplied services or materials:**

1. Costellos of Craighurst Inc., 3239 Penetanguishene Road, Craighurst, Ontario, L4M 4Y8
2. Huntsville Heated Mini Storage, 3 Crescent Road, Huntsville, Ontario, P1H 1Y3

# EXHIBIT "G"



## PAST DUE NOTICE-PAYMENT DUE FEBRUARY 3, 2020

Account #: 035 02799 002  
Service Address: 3 Crescent Rd

Billing Date: 20-Jan-2020 Bill From: 01-Oct-2019  
Batch #: 2019121902 Bill To: 01-Dec-2019

Due Date : **03-Feb-2020**

Jarvis, Raymond  
101 29 Main St E  
Huntsville ON P1H 2C6

Make Cheque Payable to  
The District Municipality of Muskoka

Enter Amount Enclosed

Payable at Most Financial Institutions

Account Balance \$ 368.32

Amount Due \$ 368.32

Please detach and return top portion with payment. Retain bottom portion for your records.

Payable at Most Financial Institutions.

Account #: 035 02799 002  
Service Address: 3 Crescent Rd

Billing Date: 20-Jan-2020 Bill From: 01-Oct-2019  
Batch #: 2019121902 Bill To: 01-Dec-2019

### Account Details From: 24-Dec-2019

Code	Description	Date	Units	Amount
Last Payment Made on: 13-Nov-2019				<b>-342.09</b>
01 PENHV	SEWER PENALTY	20/01/20		7.29
02 PENHV	WATER PENALTY	20/01/20		10.25
01 302HV	1.5" METER SERV CHARGE - SEWER	24/12/19	1.00	44.34
01 999HV	SEWAGE TREATMENT CHARGES	24/12/19	1.00	101.52
02 2HV	WATER CONSUMPTION CHARGES	24/12/19	1.00	68.00
02 301HV	1.5" METER SERV CHARGE - WATER	24/12/19	1.00	136.92

### IMPORTANT NOTES

Your account including any prior arrears has not yet been paid.

IF FULL PAYMENT IS NOT RECEIVED OR AN APPROVED PAYMENT PLAN IN PLACE BY DUE DATE A DISCONNECT NOTICE WILL BE POSTED ON YOUR PREMISE AND A PROCESSING FEE OF \$36.00 WILL BE APPLIED TO YOUR ACCOUNT.

If payment has been made please contact our office with payment details to ensure payment has been received.

Please contact our office by email ([watersewerbilling@muskoka.on.ca](mailto:watersewerbilling@muskoka.on.ca)) or telephone (705-645-7954) for account balances and due dates.

Account Balance \$ **368.32**

Due Date : **03-Feb-2020**

Amount Due \$ **368.32**

# PAST DUE

Jarvis, Raymond  
101 29 Main St E  
Huntsville ON P1H 2C6

# EXHIBIT "H"

**Rob Danter**

---

**From:** Ray Jarvis <rayjarvis16@icloud.com>  
**Sent:** Thursday, January 30, 2020 11:30 AM  
**To:** Tim Hogan  
**Subject:** 3 crescent

Hello Tim. As of now all Utilities are in good standing. If this changes I will let you know and keep You up to date. We have an ongoing offer, but not sure where it will end up. We're attempting to make a cash injection into to account, and with this I will Also keep you up to date

Sincerely,

RAY Jarvis  
Direct: 705-380-1737

# EXHIBIT "I"

**Rob Danter**

---

**From:** Ray Jarvis <rayjarvis16@icloud.com>  
**Sent:** Thursday, January 30, 2020 3:33 PM  
**To:** Tim Hogan  
**Subject:** Crescent road

Without prejudice

Tim, there is one missed insurance payment, and this payment was going to be made Monday. If you're moving aggressively in this fashion, then maybe it's best I give you the name of the insurance broker. Please advise

Sincerely,

RAY Jarvis  
Direct: 705-380-1737

# EXHIBIT "J"

# **PACE CREDIT UNION** Well beyond a bank.

## **FINAL AGREEMENT**

## **PRIVATE & CONFIDENTIAL**

September 19, 2017 (Revised)

Noble House Development Corporation  
101-29 Main St. East  
Huntsville Ont. P1H 2O6

Dear Sirs:

### **RE: COMMERCIAL LINE OF CREDIT FACILITY**

We are pleased to advise that the Lender's Credit Committee has provisionally approved the following credit facility, subject to the satisfaction of the conditions and security documentation outlined below. Due to the nature of the information required, terms and conditions may be changed in the final documentation process.

This term sheet is prepared on the assumption that the structure of the financing as outlined herein does not change in a material manner.

The terms and conditions set out herein are for the exclusive benefit of the Credit Union and any alterations to these terms and conditions will render this term sheet null and void.

### **BORROWER**

Noble House Development Corporation

2307400 Ontario Inc.

2209326 Ontario Ltd.

### **GUARANTORS**

Ray Jarvis

John Jarvis

### **LENDER**

PACE Savings & Credit Union Limited (PSCU)

**TYPE OF CREDIT, AMOUNT, AND PURPOSE**

**LOC - \$5,500,000.00**

Initial Advance on closing \$3,800,000.00:

\$3,100,000.00	Pay out and existing first mortgage – <i>Mortgage statement to be provided by borrower</i>
\$ 55,000.00	Pace commitment Fee – <i>Payable \$15,000 on execution and \$40,000 on closing</i>
\$ 452,000.00	Consultant Fee including HST
\$ 25,000.00	Estimated legal fees – <i>Pace will discuss documents with the borrower's solicitor and use his services where possible – Borrower to provide the name and address of the lawyer/firm</i>
<u>\$ 150,000.00</u>	Interest Capitalization
 \$ 3,782,000.00	

Construction draws: Proceeds to a maximum of \$1,700,000.00 will be used for construction of a second floor to build 24,000 square foot 7 unit mini-heated storage units. Further details of property improvements are to be found in member provided Cost of Redevelopment into Storage Units and Construction Agreement contract dated July 1, 2017 with anticipated start date in October 31<sup>st</sup> of 2017 and completion date in March 31<sup>st</sup>, 2018.

**DRAWDOWN**

Upon completion of the security documentation required pursuant to Section 2 of this term sheet; and compliance with the conditions precedent in Section 3, and Specific Conditions-Construction in Section 4 of this term sheet.

Construction draws:

This facility is made available at the sole discretion of PSCU and PSCU may cancel or restrict availability of any unutilized portion of this facility at any time and without notice or demand;

- a) The aggregate Borrowings outstanding under the facility at any time must not exceed the aggregate of the following (Facility borrowing Limit):
  - (i) 75% of the actual costs to date established to PSCU's satisfaction for costs items provided in accordance with the Construction Budget attached herein;Less the sum of:
  - (ii) Unpaid project payables, excluding those to be paid from the requested Borrowing;
  - (iii) Project lien holdbacks;
  - (iv) Any amount due to the developer in respect to prepaid levies; must be greater than, or equal to the aggregate Borrowings advanced to date (after giving effect to the requested Borrowing)
- b) all remittances to Potential Prior Ranking Claims are current; and
- c) The Borrower and Guarantors will be jointly and severally liable to immediately cover any such deficiency as soon as it arises or is identified by PSCU.



### **TERM**

1. 5 month term to March 31<sup>st</sup>, 2018 - completion of construction then;
2. 5 year term commencing May 31<sup>st</sup>, 2018/amortization of 25 years.

### **INTEREST RATE**

Fixed Rate of 5.50%.

### **REPAYMENT**

1. October 31<sup>st</sup>, 2017 to March 31<sup>st</sup>, 2018 - Interest only monthly until completion of construction.
2. As of March 31, 2018, all amounts outstanding under the line of credit facility will be converted to a term, reducing loan at the rate of interest of 5.50% for a five year term based on a 25 year amortization. Based on the loan amount of \$5,500,000.00, monthly payments of principal and interest will be due in the amount of \$33,774.81, commencing on April 30<sup>th</sup>, 2018.
3. Upon sale of any individual condo units, PACE to receive 100% of sale proceeds less real estate and legal costs to be applied against the outstanding principal balance of the term loan.

The Borrower and the Guarantors must demonstrate the ability to maintain a debt service coverage ratio of 1.25. Debt service coverage ratio is defined as EBITDA (earnings before interest, taxes, depreciation & amortization) divided by annual principal and interest payments for all outstanding debts.

### **PREPAYMENT**

Fully open for prepayment at any time without notice or bonus.

### **DATE OF FIRST ADVANCE:**

No later than October 29, 2017 or such other date as may be mutually agreed upon by the Borrower and the Lender.

### **FEES**

Commitment Fee	\$ 55,000.00 (\$15,000 due on signing)
Consultant Fee	\$ 400,000.00 plus HST
The commitment fee is based on the assumption that the structure of the loan as outlined herein does not change in a material manner.	
Site Inspection Fees	\$ 350.00 per visit.

Annual Review Fee \$ 10,000.00 (if applicable)  
NSF Payment Fee \$ 45.00

The authorized line of credit limit will not be exceeded. Should any excess of the authorized limit occur, this may result in immediate cancellation of the facility and closure of the account.

Administration Fee \$ 50.00

An administration fee will be charged beginning 30 days after the annual review date if all annual review documentation is not received as required under the "General Conditions" Section of this term sheet. The annual review date based on the Borrower's financial year end reporting date of **"to be determined"**.

All other costs related to this facility are to be paid by the Borrower.

## **SECTION 2 - SECURITY**

The present and future indebtedness and liability of the Borrower(s) to the Lender shall be secured by the following security evidenced by documents in a form satisfactory to the Lender and its legal counsel, if applicable and registered or recorded as required by the Lender, to be provided prior to any advances being made under the Credit Facility:

1. Credit Agreement in the amount of \$5,500,000.00 to be executed by Noble House Development Corporation, 2307400 Ontario Inc., 2209326 Ontario Ltd. and all Guarantors and PACE Savings & Credit Union Limited.
2. Continuing all purpose collateral mortgage to be provided by 2307400 Ontario Inc. and 2209326 Ontario Ltd. in first position in the amount of \$5,500,000.00 over but not limited to the property known as 3 Crescent Road Huntsville Ontario and all lands located thereon including the parking lot. Lender's counsel to confirm security. The existing private 3<sup>rd</sup> mortgage in the amount of \$472,097.18 registered July 6, 2015 as MT154628 and held by Catherine Wallace will remain in place and be postponed to the reference Pace first mortgage.
3. Registered General Assignment of Leases and Rents to be registered on the mortgaged property(s) and all estoppels and related documentation to be provided by the Borrower/Guarantor and executed as PSCU's counsel may so require.
4. Business Loan General Security Agreement representing a floating charge over the assets and undertakings of Noble House Development Corporation in first position to be registered under *Personal Property Security Act*.
5. Business Loan General Security Agreement representing a floating charge over the assets and undertakings of 2307400 Ontario Inc. in first position to be registered under *Personal Property Security Act*.
6. Business Loan General Security Agreement representing a floating charge over the assets and undertakings of 2209326 Ontario Ltd. in first position to be registered under *Personal Property Security Act*.

7. Personal Guarantee and Postponement of Claim in the amount of \$5,500,000.00 to be executed by Ray Jarvis with the benefit of independent legal advice as determined by the Credit Union to be registered under the *Personal Property Security Act*.
8. Personal Guarantee and Postponement of Claim in the amount of \$5,500,000.00 to be executed by John Jarvis with the benefit of independent legal advice as determined by the Credit Union to be registered under the *Personal Property Security Act*.
9. Assignment of all Material Contracts to PSCU pertaining to the Construction.
10. Acknowledgement and Undertaking to be executed by the Borrower and the Guarantors that any cost overruns or deficiencies will be covered immediately by the Parties as identified and required by PSCU.
12. Builders all risk insurance to be in place prior to any construction taking place with evidence of same noting PACE as first mortgagee and First Loss Payee to be provided prior to funding of any advances relating to construction. PSCU may utilize the services of a professional consultant to review proposed coverages at the expense of the Borrower and at any future renewal date of the policies.
13. All other documentation necessary in the opinion of the Lender and its legal counsel, to complete this transaction.

#### **FIRST CANADIAN TITLE INSURANCE**

The Lender requires that First Canadian Title Insurance be purchased in connection with this transaction in order to provide protection over various title related matters. Arrangements have been made with First Canadian Title, wherein a Master Policy of Insurance has been negotiated in favour of the Lender. All premiums and costs associated with First Canadian Title, whether or not the transaction of proceeded with as contemplated are payable by the Borrower(s). Significantly less due diligence is required when Title Insurance is purchased, so cost and time efficiencies should be evident as this transaction is completed.

#### **SECTION 3 - CONDITIONS PRECEDENT**

Those customarily found in the Lender's security documents and any additional conditions appropriate in the context of the proposed transaction. No funds shall be advanced until all conditions precedent have been satisfied, and counsel for PSCU is satisfied that all security is on hand and in good order. In any event, precedent conditions include without limitation, the following:

#### **THIRD PARTY REPORTS**

1. The following third party reports must be received by the Lender prior to the drawdown date. The reports for the property are to be commissioned by, and are to be entirely satisfactory to the Lender, which reports shall be addressed to the Lender or the Lender shall have received a satisfactory Letter of Transmittal from the
  - 1) AACI Appraisal Report; Loan to Value not to exceed 75 %
  - 2) Structural Engineering Report as determined by the Lender
  - 3) Phase 1 Environmental Report and if so required by the Credit Union, a Phase 2 environmental assessment is to be provided.

- 4) Satisfactory Fire Marshall's Report
  - 5) Satisfactory Potability Certificate
  - 6) Satisfactory Septic System Certificate
2. The Borrowers to provide a copy of the final AACI Appraisal report addressed to PSCU confirming proforma end value, which value must be satisfactory to the Lender.
  3. Phase 1 Environmental Report and if so required by the Credit Union, a Phase 2 environmental assessment is to be provided satisfactory to the Lender.
  4. The Borrowers to provide a detailed Draw Schedule (Gantt Chart) satisfactory to the PSCU laying out the project schedule including timing and construction costs/draws for the project.
  5. Copy of the Architect's Drawings and Floor Plans for the new building to be constructed together with the building permit as they become available.
  6. The Borrowers to provide a Copy of the Construction Budget.
  7. The Borrower to provide a Copy of the executed Project Management Agreement with (to be obtained) satisfactory to the Lender.
  8. The Borrowers to provide Accountant prepared minimum Notice to Reader level financial statements for the most 3 recent year ends including CRA Notice of Assessments for HST, Employee Source and Income tax as applicable confirming all tax obligations are current.
  9. Updated personal net worth statement and CRA Notice of Assessments for 2016 to be provided by Ray Jarvis and John Jarvis.
  10. The Corporate Borrowers to provide a copy of the Articles of Incorporation and any copies of any valid name registrations.
  11. The Borrowers to complete and execute the attached Incumbency Certificate for each corporate entity that is included in the term offer. For each Shareholder that is a corporate entity or trust, additional Incumbency Certificates must be completed until the ownership displays the real persons under the Borrower/Guarantor corporate/trust ownership structure.
  12. The Corporate Borrowers to provide a copy of the Shareholder register.
  13. The Corporate Borrowers to provide a copy of each company's Borrowing by-laws and signing resolutions relative to the completion of this transaction.
  14. The 9 digit Business BN identifier number to be provided for each Corporate Borrower and Corporate Guarantor.
  15. The Borrowers shall establish a Membership account with PSCU and execute all appropriate documentation required (on file).
  16. Membership in PSCU is to be maintained in good standing at all times while any portion of the credit facilities remains outstanding or committed.
  17. The Borrowers shall purchase \$175.00 in Credit Union membership shares.
  18. All individuals not limited to non-corporate Borrowers, personal Guarantors, individual authorized Signing Officers, as identified by PSCU to provide two pieces of current, government issued identification as follows:

- I. Valid Ontario Driver's License, or valid Passport
  - II. Valid Citizenship document or Birth Certificate with Government identity number
19. Commercial general liability, fire insurance and Builder's all risk insurance to be maintained on all property contained in Section 2 of this term sheet, noting PSCU as First Loss Payee.
  20. The Borrowers/Guarantors to provide satisfactory evidence that it has obtained all applicable permits/certificates and is in compliance with all relevant regulatory requirements.
  21. There shall not exist any judgment, order, injunction or other restraint prohibiting or imposing materially adverse conditions upon the consummation of the transaction.
  22. The Borrowers and any Guarantors authorize PSCU by executing this term sheet to obtain information from others as it may reasonably require, to disclose to other credit grantors or credit bureaus as permitted by Law, the particulars of this term sheet. The Borrower and all Guarantors acknowledge notice from PSCU that a commercial/consumer report containing credit information will be referred to in connection with this term sheet or any renewal or extension thereof.
  23. There shall not have occurred since the date hereof any material adverse change in, or development likely to have a material adverse effect on the condition (financial or otherwise) of the operation, business, properties, prospects or capitalization of the Borrower or the Guarantors.
  24. The Borrowers and Guarantors covenant to provide any additional information requested and deemed reasonable by the Lender.
  25. The Borrowers will pay all legal fees and disbursements of the Lender in connection with this term sheet and any documentation resulting therefrom.

#### **SECTION 4 - SPECIFIC CONDITIONS - CONSTRUCTION**

1. Satisfactory program outlining drawdown timings and benchmarks to be in place prior to the initial drawdown.
2. The Borrowers is to provide written confirmation that any costs in excess of financing provided by the Lender will be met from its own resources and advances by the Lender will be limited to the construction budget established at the outset of the construction program.
3. The Borrowers undertakes that no construction whatsoever will commence without a building permit.
4. The Borrowers is to provide satisfactory evidence that it has obtained all applicable permits/certificates and is in compliance with all relevant regulatory requirements.
5. Funding will occur on a "cost-in" basis. Each draw subject to a satisfactory site inspection by a PACE representative.
6. The Borrowers must complete Schedule 3. Request for Advance (attached) and provide a satisfactory up to date project budget related to total cost of construction, amount of work completed to date, work completed since last advance, and remaining amount of work to completion of project as represented by the Borrower, signed by the Project Architect/Project Manager.
7. The facility will be reviewed on a quarterly basis as applicable.
8. Prior to each advance by the Lender, the following due diligence will be required in order to confirm that there are not trade or other liens affecting the Real Property and including but not limited to:

- A site visit will be undertaken by PSCU at each draw request at the PSCU's discretion.
  - Site pictures detailing work undertaken since last draw request to be provided with each draw.
  - A title (sub) search of the property.
  - An execution search against the property owner.
  - The costs incurred for the title (sub) search and execution search are to be paid by the Borrower.
  - The Borrower is to provide the Credit Union with written confirmation that the realty taxes accrued to the date of advance on the subject property have been paid.
9. An amount equal to 10% holdback plus HST will be held back from the total amount of each advance for construction/trade liens for the duration of the construction term.
10. Once the statutory lien period has expired and prior to the release of any funds held back from construction advances, the following documentation is required and the following due diligence will be required in order to confirm that there are no trade or other liens affecting the Real Property:
- A title (sub) search of the property.
  - An execution search against the property owner.
  - The costs incurred for the title (sub) search and execution search are to be paid by the Borrower.

#### **GENERAL CONDITIONS**

1. The Borrowers will provide annually within 120 days of the fiscal year end date, accountant prepared minimum level Notice to Reader financial statements, and CRA Notice of Assessments for the current tax filing period for income tax, HST and employee source remittances as applicable evidencing all tax payment obligations are current.
2. The personal Guarantors will provide a copy of the CRA filed personal tax return annually and related CRA Notice of Assessments for income tax, HST, and employee sources remittances as applicable evidencing all tax payment obligations are current. Updated personal net worth statements will be required post funding every two years.
3. Borrowers/Guarantors to provide confirmation that property taxes are paid to date on all mortgaged property(s) at each annual review date and at the PSCU's request. PACE will order a tax certificate at the Borrowers' expense should proof of payment not be received as requested.
4. The Borrowers/Guarantors covenant to maintain general business liability insurance, fire insurance and Builder's all risk insurance coverage over the assets charged adequate to protect the facility at all times, with loss payable to PSCU as First Loss Payee. A copy of the insurance policy is to be provided to PSCU at each policy renewal date and/or at each annual review date as requested by PSCU.
5. In the event that the value of the security for the borrowing facility(s) may have diminished as determined by PSCU, updated appraisals/assessments may be required by the Lender at the cost of the Borrower. The Borrower and/or Guarantors undertake to provide additional security or alternatively reduce the facility to comply with the original loan to value margin.
6. The Borrowers and Guarantors to provide to the Credit Union 30 days prior written notice of any intended change in the ownership of its shares and shall not to consent to, or facilitate a change in the ownership of its shares without the prior written consent of the Credit Union.
7. The Borrowers shall not without prior written consent of the Credit Union merge, amalgamate, or otherwise enter into any other form of business combination with any other Person.

8. The Borrowers and Guarantor(s) covenant to provide any additional information requested and deemed reasonable by the Lender.
9. The Credit Facilities provided by the Credit Union are non-transferable.

### **SOLICITOR**

#### **Pace Savings & Credit Union**

Mr. Doron Noah  
MacDonald, Sager Manis LLP  
Barristers and Solicitors  
150 York Street, Suite 800  
Toronto Ontario  
M5H 3S5

#### **Member's Representation**

Information to be provided upon signing

### **LEGAL REQUIREMENTS**

It is understood and agreed that PSCU's solicitor will be the lead counsel and advance of funds shall not occur until the Lender's solicitor is satisfied with all legal aspects of this transaction. The Borrower agrees to give the Lender such document assurances, information, covenants that our solicitor may require with regards to this loan agreement.

The legal fees shall be based on the assumption that title to any property covered by any security is in the name of the Borrower or Guarantor as specified and is clear and free of any other encumbrances except as noted herein and the loan documentation prepared for this transaction is executed substantially in the form contemplated. In the event that changes occur in any material manner, then the same will be reflected in additional legal costs to be incurred by the Lenders council.

All legal expenses are the sole responsibility of the Borrower.

As indicated by title, the facility has been provisionally approved only, and as such, does not constitute an offer of financing. All figures and conditions are subject to change. Your concurrence will be signified by your signing and returning a copy of this term sheet together with the articles of incorporation for the Borrower and Corporate Guarantors, completed Incumbency Certificates, and personal identification items as noted under Section 3.17 (1 & II) and a cheque payable to PACE Savings & Credit Union Limited in the amount of \$55,000.00 no later than July 19, 2017 which represents the expiry date of this term sheet.

No due diligence will be undertaken until the afore-noted has been received by this office.

Immediately upon receipt of your concurrence we will proceed with a formal application. Please be advised that the due diligence period to the approval stage for this loan is estimated to be a maximum of 10 business days after receipt of all of the information required under Section 3 of this term sheet. This estimation is based on the assumption that this transaction is to close substantially in the form contemplated.

In the event that substantive changes occur, the due diligence period will be affected accordingly.

Upon formal approval, the terms herein together with any additional terms and/or additional documentation required will govern the terms of the facilities therein and will be further accepted upon execution by all parties of an amended term sheet.

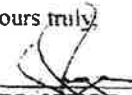
Noble House Development Corporation  
September 19, 2017

This Term Sheet and any documents delivered pursuant thereto may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

This Term Sheet and any documents delivered pursuant thereto may also be executed and delivered by facsimile or email transmission and each of the Parties may rely on such facsimile or email signature as though that facsimile or email signature were an original hand-written signature.

Should you have any questions or require any further clarification of the terms and conditions recited, please contact the undersigned.


Yours truly,


  
**BRIAN HOGAN, VP COMM. CREDIT**  
On behalf of Credit Committee  
Telephone: (905) 660-2841

Acknowledged this 13<sup>th</sup> day of October 2017

**BORROWER**


Noble House Development Corporation

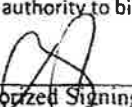
  
Per: Authorized Signing Officer

  
Per: Authorized Signing Officer  
I/We have authority to bind the Corporation

**BORROWER**

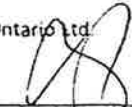
2307460 Ontario Inc.


  
Per: Authorized Signing Officer  
I/We have authority to bind the Corporation

  
Per: Authorized Signing Officer  
I/We have authority to bind the Corporation


**BORROWER**

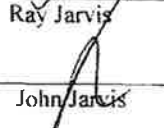
2209326 Ontario Ltd.

  
Per: Authorized Signing Officer  
I/We have authority to bind the Corporation

  
Per: Authorized Signing Officer  
I/We have authority to bind the Corporation

**PERSONAL GUARANTORS**

  
Ray Jarvis

  
John Jarvis



# EXHIBIT "K"

## COMMERCIAL CREDIT FACILITIES AGREEMENT

THIS AGREEMENT is made as of the 25th day of October, 2017.

B E T W E E N:

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

(collectively the "**Borrowers**" and each of them the "**Borrower**")

OF THE FIRST PART

- and -

**PACE SAVINGS & CREDIT UNION LIMITED**

(the "**Lender** ")

OF THE SECOND PART

- and -

**RAYMOND JARVIS and JOHN JARVIS**

(collectively the "**Guarantors**" and each of them "**Guarantor**")

OF THE THIRD PART

**WHEREAS** the Borrowers are members of the Lender;

**AND WHEREAS** the Borrowers have applied to the Lender to extend credit facilities to the Borrowers;

**AND WHEREAS** the Lender is prepared to extend credit to the Borrowers upon certain terms and conditions as contemplated and set out in a commitment letter dated September 19, 2017 issued by the Lender to the Borrowers as may be amended, extended or restated from time to time (the "**Commitment Letter**");

**NOW THEREFORE** in consideration of Two Dollars (\$2.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

### 1. **INTERPRETATION**

#### 1.1 **Definitions**

In this Agreement, the following terms shall have the following meanings, unless the context expressly or by necessary implication requires otherwise:

**"Advance"** means an extension of credit under any Facility by the Lender to the Borrowers.

**"Agreement"** means, this credit agreement, including all Schedules and Exhibits hereto, together with all amendments, supplements, restatements, replacements or other modifications or variations hereof at any time hereafter, and from time to time made in accordance with the terms hereof.

**"Agreement of Purchase and Sale"** means all present or future Agreement to purchase Unit.

**"Applicable Law"** means, at any particular time in respect of any particular Person, property, transaction or event, all laws, statutes, regulations, treaties, judgments and decrees applicable to that Person, property, transaction or event (whether or not having the force of law) and all applicable requirements, requests, official directives, consents, approvals, authorizations, guidelines, decisions, rules, orders and policies of any Governmental Authority having or purporting to have authority over such Person, property, transaction or event.

**"Assignee"** has the meaning set forth in Section 12(b).

**"Audited Financial Statements"** means, in respect of any particular Fiscal Year, the audited balance sheet of each Borrower, as at the last day of such Fiscal Year, and the related audited income statements, cash flow statements and changes in shareholders' equity for such Fiscal Year and the accompanying notes thereto of the Borrower, prepared in accordance with GAAP and setting forth in each case, in comparative form, figures for the corresponding period in the preceding Fiscal Year, all in reasonable detail and fairly presenting in all material respects the financial position and the results of operations of the Borrower as at the date thereof and for the Fiscal Year then ended, certified by the Auditor. Notwithstanding the foregoing, the financial statements of the Borrower shall be prepared on a Notice to Reader basis by the Auditors.

**"Auditor"** means, Brent Starkman, Schwartz, Levitsky & Feldman, or any other independent chartered accounting firm selected by the Borrowers, acceptable to the Lender.

**"Authorized Representative"** means with respect to any Person that is not an individual, the President or Chief Financial Officer of such Person.

**"Borrower"** means each of Noble House Development Corporation, 2307400 Ontario Inc. and 2209326 Ontario Ltd. and **"Borrowers"** means each Borrower, collectively.

**"Business Day"** means any day on which the Lender is open for over-the-counter business in Toronto, Ontario, excluding Saturday, Sunday and any other day that is a statutory holiday in Ontario.

**"Canadian Dollars", "\$", "Cdn\$" and "C\$" each refer to the lawful money of Canada.**

**"Certificate"** means, with respect to any Person that is not an individual, a written certificate signed on behalf of such Person by an Authorized Person and, with respect to a Person that is an individual, a written certificate signed by such individual.

**"Claim"** means any claim, demand, cause of action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether

or not purportedly on behalf of any Collateral Party) at law or in equity, or before or by any Governmental Authority, domestic or foreign, of any nature whatsoever, whether pending or, to the knowledge of any Collateral Party, threatened against or affecting any Collateral Party or any property of a Collateral Party.

**“Closing”** means the satisfaction or waiver of all conditions precedent to the establishment of the Facilities.

**“Closing Date”** means October 25, 2017.

**“Collateral”** means, collectively, all of the undertaking, property and assets (whether real, personal or mixed property) against or in respect of which Liens in favour of the Lender are now or are hereafter granted (or purported to be granted) pursuant to the Security Documents.

**“Collateral Party”** means each Borrower and each Guarantor and **“Collateral Parties”** means each Collateral Party, collectively.

**“Commitment Letter”** means as defined in the recitals to this Agreement.

**“Construction Budget”** is a detailed budget for the Project setting out the Project Costs as approved by the Lender.

**“Construction Facility”** means the Construction Facility established pursuant to Section 2.1(b).

**“Conversion Date”** means March 31, 2018.

**“Conversion Loan Amortization Period”** means 25 years amortization.

**“Conversion Term Loan”** is defined in Section 2.5.

**“Contractual Obligation”** means, with respect to any Person, any provision of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which such Person is a party or by which such Person or any of its assets is bound or to which such Person or any of its assets is subject.

**“Credit Documents”** means this Agreement, the Commitment Letter, the Security Documents, the Guarantees, and all Certificates, instruments, agreements and other documents delivered, or to be delivered, to the Lender under or in connection with the Facilities and this Agreement.

**“Default”** means any event, circumstance or omission that constitutes an Event of Default or that, after the giving of notice, the passage of time or the failure to remedy such event, circumstance or omission within a period of time, would constitute an Event of Default.

**“Drawdown Date”** means any Business Day on which an Advance is made or is deemed to be made.

**“Environmental Claim”** means any Claim in respect of a breach of any Environmental Law, including any remedial order, control order, stop order or other administrative order, complaint or sanction.

**“Environmental Laws”** means all Applicable Laws pertaining to environmental or occupational health and safety matters, in effect as at the date hereof and as may be brought into effect or amended at a future date, including those pertaining to reporting, licensing, permitting, investigation, remediation and clean-up in connection with any presence or Release of a Hazardous Substance or threat of same or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling and the like of a Hazardous Substance.

**“Environmental Permit”** means any permit, approval, identification number, license or other authorization required pursuant to any applicable Environmental Law.

**“ETA”** means the *Excise Tax Act* (Canada) and any successor thereto, and any regulations promulgated thereunder.

**“Event of Default”** is defined in Section 10(a)

**“Facility”** includes the Term Loan Facility, Construction Facility and the Reserve Facility, as applicable, and after the Conversion Date, shall mean the Conversion Term Loan and **“Facilities”** means each Facility, collectively.

**“Financial Statements”** means Audited Financial Statements.

**“Fiscal Year”** means the fiscal year of the Borrower, which currently end on December 31.

**“GAAP”** means generally accepted accounting principles in effect from time to time in Canada, applicable to the relevant Person, applied in a consistent manner from period to period.

**“Governmental Approvals”** means, at any particular date of determination with respect to any Person or its property or assets, all licenses, permits, consents, authorizations and approvals required from Governmental Authorities for the conduct of such Person’s business on such date.

**“Governmental Authority”** means any domestic or foreign government including any federal, provincial, state, territorial or municipal government and any executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or any Person, body, department, bureau, agency, board, tribunal, commission branch or office thereof or having or claiming to have jurisdiction over the Collateral Parties or any of their respective property or assets.

**“Guarantees”** means all guarantees held from time to time by or on behalf of the Lender guaranteeing or intending to guarantee, directly or indirectly, repayment of the Obligations.

**“Guarantor”** means each of Raymond Jarvis and John Jarvis, and **“Guarantors”** means each Guarantor, collectively.

**“Hazardous Substance”** means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property or plant or animal life or harm or impair the health of any individual and includes, but is not limited to, petroleum, its derivatives, by-products or other hydrocarbons, asbestos, controlled products, wastes and any other materials regulated by Environmental Laws or which may not by their nature be hazardous, either in fact or as defined in or pursuant to any Environmental Laws, but which become prohibited, controlled or regulated by any Governmental Authority.

**“Indemnified Person”** means the Lender, its attorneys, any receiver or receiver manager appointed by the Lender, and the respective officers, directors and employees of each of the foregoing Persons.

**“Interest Obligations”** shall mean the interest accrued and owing under the Facilities pursuant to this Agreement.

**“Interest Payment Date”** means the LAST day of each calendar month.

**“ITA”** means the *Income Tax Act* (Canada) and any successor thereto, and any regulations promulgated thereunder.

**“Laws”** means, collectively, all international, foreign, federal, provincial, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

**“Lease”** means, any lease of real or personal property in respect of which any Borrower has a leasehold interest, as lessee.

**“Lender”** means PACE Savings & Credit Union Limited and its successors and assigns.

**“Lien”** means any lien (whether statutory or otherwise), mortgage, pledge, deposit arrangement, preference, priority assignment, security interest, deed of trust, hypothecation, deemed trust, charge or other encumbrance or preferential arrangement of any kind or nature whatsoever (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof, easement, right of way, or capitalized Lease, any option, trust or other preferential arrangement having the practical effect of any of the foregoing).

**“Lien Holdback”** means the holdbacks required pursuant to the *Construction Lien Act* (Ontario) and any successor thereto, and any regulations thereunder;

**“Loss”** means any loss whatsoever, whether direct or indirect, including expenses, costs, damages, judgments, penalties, awards, assessments, fines and any and all fees, disbursements and expenses of counsel, experts and consultants.

**“Material Adverse Change”** means a change that results in, or would reasonably be expected to result in, a Material Adverse Effect.

**“Material Adverse Effect”** means (a) a material adverse effect on the business, operations, assets, liabilities (actual or contingent), property or financial condition of the Borrower; (b) a material adverse effect on the ability of the Borrower or Guarantors to perform their obligations under the Credit Documents; or (c) a material adverse effect on the rights and remedies of the Lender under the Credit Documents or the Lender’s ability to enforce its rights or remedies under this Agreement or any other Credit Document.

**“Material Contract”** means, with respect to any particular Person, any contract, licence or other agreement to which such Person is a party or by which it is bound that is material to such Person’s business, operations, properties, assets or prospects, having regard to the subject matter thereof or the potential consequences of a breach or termination thereof.

**“Maturity Date”** means March 31, 2023.

**“Mortgage”** means any mortgage made, or required to be made, by the Borrower in favour or for the benefit of the Lender, in form and substance reasonably satisfactory to the Lender, including without limitation the mortgage against the Property.

**“Net Sale Proceeds”** means with respect to each Unit sale the purchase price in the Agreement of Purchase and Sale, net of any reasonable realtor commissions thereon, and net of reasonable legal fees and disbursements incurred on that sale transaction.

**“Obligations”** means all loans, advances, debts, liabilities and obligations for the performance of covenants, tasks or duties or for the payment of monetary amounts (whether or not performance is then required or contingent, or whether or not those amounts are liquidated or determinable) owing by the Borrowers to the Lender under or in connection with the Credit Documents, of any kind or nature, present or future, whether or not evidenced by any agreement or other instrument, owing under or in connection with any or all of the Credit Documents, including all obligations owed by the Borrowers to the Lender under the Facilities.

**“Parties”** means collectively the Borrowers, the Guarantors, and the Lender, and “Party” means any one of them.

**“Permitted Liens”** means, with respect to any property or asset of the Borrower:

- (a) Liens created by the Security Documents;
- (b) Liens for Taxes which are not delinquent or remain payable without penalty or which are being contested in good faith by appropriate proceedings commenced in a timely manner and diligently pursued and for which appropriate reserves have been taken in accordance with GAAP, provided that, the aggregate amount of all outstanding Taxes secured by such Liens do not at any time exceed \$10,000.00, and there is no material risk that enforcement proceedings in respect of any such Lien will result, in the seizure or sale of any Collateral;
- (c) permits, licenses, agreements, restrictions, easements, rights-of-way and other similar interests in land (including permits, licenses, agreements, restrictions, easements and rights-of-way for sidewalks, public ways, sewers, drains, gas steam and water mains, utilities, telephone and telegraph conduits, poles, wires and

cables) which do not, in the opinion of the Lender, materially impair the use or the value of the real property and improvements thereon;

- (d) reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown, provided that such reservations, limitations provisos and conditions do not, in the opinion of the Lender, (i) materially impair the use or the value of the real property and improvements thereon, (ii) materially detract from the value of the assets of the Borrowers or (iii) materially interfere with the use of such assets in the operation of the business of the Borrowers;
- (e) title defects or irregularities which are of a minor nature and which do not materially detract from the value of the real property or materially interfere with its use in the operation of the business of the Borrowers;
- (f) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structure which may be erected thereon, provided such restrictions have been complied with and, in the opinion of the Lender, do not materially detract from the value of the assets of the Borrowers or materially interfere with their use in the operation of the business of the Borrowers; and
- (g) any other Lien consented to in writing by the Lender.

**“Person”** means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated entity or association of any nature.

**“Plans and Specifications”** are the detailed plans and specifications for the Project, including without limitation, the plans and specification included in Schedule “C”.

**“PPSA”** shall mean the *Personal Property Security Act* (Ontario) or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, priority or ranking of Liens on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time, and any reference to any particular section of the PPSA shall be construed to also refer to any successor section thereto.

**“Priority Payables”** means, as at any particular time of determination, any amount due and payable at such time by any Borrower that is secured by a Lien (whether choate or inchoate) or a statutory right in favour of a Governmental Authority, that encumbers any Collateral and that ranks, or is capable of ranking prior to or *pari passu* with any Lien on such Collateral granted in favour of the Lender, including without limitation, amounts due, deducted or withheld, as applicable, and not yet paid, contributed or remitted, as applicable, by the Borrower in respect of wages, termination and severance pay, realty, municipal or similar Taxes, or pursuant to any legislation relating to workers’ compensation, employment insurance, the ITA, the ETA or any similar legislation.

**“Project”** means the proposed development at the Property constructing second floor to within the Property or any part thereof to build 7 units mini heated storage units in accordance with the Construction Budget and the approved Plans and Specifications.



**“Project Schedule”** is the schedule for the completion of construction of the Project

**“Property”** means the real property legally described in Schedule “A”.

**“Quantity Surveyor”** means the quantity surveyor for the Project, as approved by the Lender.

**“Release”** means a discharging, spraying, injection, abandonment, depositing, spilling, leaking, seeping, pouring, emitting, emptying, throwing, dumping, placing, pumping, escaping, leaching, migrating, dispensing, dispersal, disposing, and exhausting, and when used as a noun has a correlative meaning.

**“Request for Advance”** means the form attached in Exhibit “A”.

**“Reserve Facility”** means the revolving facility established pursuant to Section 2.1(c).

**“Schedules”** means the schedules to this Agreement, which are listed in Section 1.8.

**“Security Documents”** means (i) all documents or agreements creating or purporting to create Liens on the assets of the Borrower in favour of the Lender, including the Mortgage, and (ii) all security agreements held from time to time by or on behalf of the Lender securing or intended to secure, directly or indirectly, repayment of the Obligations.

**“Tax”** and **“Taxes”** include, at any time, all taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges of any nature imposed by any Governmental Authority (including income, capital (including large corporations), withholding, consumption, sales, use, transfer, goods and services or other value-added, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, health, education, business, school, property, local improvement, development, education development and occupation taxes) together with all fines, interest, penalties on or in respect of, or in lieu of or for non-collection of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges.

**“Term Loan Facility”** means the term loan facility established pursuant to Section 2.1(a).

**“Unit”** means each of the condominium units comprising the Property.

**“written”** or **“in writing”** includes printing, typewriting, or any electronic means of communication capable of being legibly reproduced at the point of reception.

## 1.2 Business Day

Except as otherwise expressly provided herein, if any payment or calculation is to be made pursuant to this Agreement, or any other action is to be taken pursuant to this Agreement, on or as of a day which is not a Business Day, such payment, calculation or other action, as applicable will be made or taken, as applicable, on or as of the next day that is a Business Day unless the Business Day next following the day is in the next following month, in which event

the payment, calculation or action shall be made or taken, as applicable, on or as of the immediately preceding Business Day.

### **1.3 Accounting Principles and Calculations**

Unless otherwise expressly provided, all accounting terms used in this Agreement shall be interpreted, all financial information shall be prepared and all financial calculations shall be made, in accordance with GAAP.

### **1.4 Currency**

Unless otherwise specified, all dollar amounts stated herein refer to Canadian Dollars.

### **1.5 Time of Essence**

Time shall be of the essence in all provisions of this Agreement.

### **1.6 Headings and Table of Contents**

The division of this Agreement into sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.

### **1.7 Severability**

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, such provision shall be deemed to be severable and the illegality, invalidity or unenforceability of such provision shall not affect the legality, validity or enforceability of the remaining provisions of this Agreement or the legality, validity or enforceability of such provision in any other jurisdiction in which such provision is not illegal, invalid or unenforceable.

### **1.8 Schedules and Exhibits**

The following Schedules and Exhibits are attached to and form part of this Agreement:

<b>Schedule</b>	<b>Description</b>
Schedule A	Property
Schedule B	Existing Indebtedness
Schedule C	Construction Budget and Plans and Specifications
Schedule D	Locations of the Borrowers
Schedule E	Approved General Contractor and the Approved Project Architect
Schedule F	Address for Service

<b>Exhibit</b>	<b>Description</b>
Exhibit A	Request for Advance

## 2. **CREDIT FACILITIES**

### 2.1 **Facilities**

Subject to the terms and conditions set forth in this Agreement, the Lender hereby agrees to make available to the Borrower:

- (a) a non-revolving term credit facility (the “**Term Loan Facility**”) in a maximum principal amount not exceeding Three Million Six Hundred Fifty Thousand Dollars (\$3,650,000.00);
- (b) a non-revolving Construction Facility (the “**Construction Facility**”) in a maximum principal amount not exceeding One Million Seven Hundred Thousand Dollars (\$1,700,000.00); and
- (c) a credit facility (the “**Reserve Facility**”) in a maximum principal amount not exceeding One Hundred Fifty Thousand Dollars (\$150,000.00);

### 2.2 **Advances**

Subject to the terms and conditions set forth in this Agreement:

- (a) **Term Loan Facility.** The Term Loan Facility will be fully advanced to the Borrowers by way of a single advance on the Closing Date (as defined below), and notwithstanding any other provision in this Agreement, no other Advance is available to the Borrowers under the Term Loan Facility.
- (b) **Construction Facility.** Subject to section 2.3(b) the Borrowers may request Advances under the Construction Facility provided that the aggregate outstanding amount of all Advances does not at any time exceed the Construction Facility at such time.
- (c) **Reserve Facility.** The Lender shall release to itself sufficient funds from the Reserve Facility to cover the interest accruing on the Facilities provided that the aggregate outstanding amount does not at any time exceed maximum amount of the Reserve Facility.

### 2.3 **Availability**

The Facilities shall be available to the Borrowers at any time and from time to time prior to the Maturity Date, subject to and in accordance with the terms and conditions set forth herein:

- (a) the Term Loan Facility shall be available by way of single advance on the Closing Date provided that at the time the advance is to be made the conditions contained in Section 5.1 and 5.2 of this Agreement have been satisfied;

- (b) provided that no Default or Event of Default has occurred and is continuing, and that at the time the Advance is to be made the conditions contained in Section 5.2 and 5.3 of this Agreement have been satisfied, Construction Facility Advances shall be available to the Borrowers;
- (c) the Reserve Facility shall be available by way of monthly drawdown by the Lender to cover the Interest Obligations on any Interest Payment Date.

#### 2.4 Purpose of Facilities

- (a) The Borrowers shall use the proceeds of the Term Loan Facility, in addition to funds from their own recourses, solely to payout and discharge its existing mortgages and loans as listed in Schedule "B" (the "**Existing Indebtedness**"), and to pay the Consultant Fee, the Commitment Fee and all closing costs.
- (b) The Borrowers shall use the proceeds of advances under the Construction Facility, solely for financing the Project in accordance with the Construction Budget and the Plans and Specifications approved by the Lender.
- (c) The Reserve Facility shall be used by the Lender to cover the Interest Obligations.

#### 2.5 Term Loan Conversion

On the Conversion Date, Lender shall convert the aggregate outstanding amount under the Term Loan Facility, the Construction Facility and the Reserve Facility to a term loan (the "**Conversion Term Loan**"). Effective as of the Conversion Date there shall be no additional Advances under any Facility and the Conversion Loan Amortization Period shall begin. The Conversion Term Loans shall bear interest in the Interest Rate, and shall be payable as set forth in Section 3(d).

#### 2.6 Cancellation of Facilities

The Facilities shall, at the option of the Lender, be cancelled immediately if the Borrowers defaults in the payment or performance of any obligation to the Lender or if an Event of Default occurs under any agreement between the Lender and the Borrowers, or any of them, including, without limitation, the terms of the Commitment Letter and/or any agreements in connection with other Facilities between any Borrower and the Lender.

### 3. INTEREST AND PAYMENTS

- (a) Interest shall accrue on the unpaid outstanding balance of the Facilities at a fixed rate of 5.50% per annum (the "**Interest Rate**") which interest shall be calculated and compounded monthly. For each Advance, interest shall be calculated from the Drawdown Date to the next Interest Payment Date. Interest is payable both before and after any or all of default, demand and judgment. Any amount of principal and accrued interest which is not paid when due shall bear interest at the Interest Rate from the date on which such amount is due until such amount is paid in full, payable on demand.

- (b) Interest calculated as aforesaid shall be payable monthly, on the **LAST** day of each month until the full amount outstanding hereunder on account of the Facilities has been paid. The first payment of interest hereunder shall be payable on November 30, 2017.
- (c) Until the Reserve Facility is fully utilized and prior to the Conversion Date or any Event of Default, the Lender will drawdown sufficient funds to cover the Interest Obligations on the last day of each month. The Lender reserves the right at its sole discretion to stop advancing from the Reserve Facility in the event of Project's construction delays or cost overrun, in which event all monthly interest must be paid by the Borrowers as billed by the Lender. Upon full utilization of the Reserve Facility, interest will be paid by the Borrowers monthly as provided in this Agreement by way of pre-authorized debits.
- (d) Effective as of the Conversion Date the Borrowers shall repay the Conversion Term Loan based on the Conversion Loan Amortization Period and shall make monthly payments on the **LAST** day of each month commencing on April 30, 2018. On the Conversion Date the Lender shall provide an amortization schedule to the Borrowers based on the principal amount of the Conversion Term Loan and the Conversion Loan Amortization Schedule.
- (e) All interest payable to the Lender under this Agreement shall be received by the Lender free and clear of all taxes or duties imposed by or under the laws of Canada, and province thereof or any other jurisdiction, and without limiting the foregoing any withholding tax, value added tax, business transfer tax, sales tax or other tax levied on interest payable which would adversely affect the net interest received by the Lender shall be paid by the Borrowers respectively, and not the Lender;
- (f) All payments to be made by the Borrowers to the Lender shall be made by depositing the same for credit into the account maintained by the Borrowers with the Lender for operating the Facilities, or with any such other depository at such other place or places as the Lender may, by writing, direct.
- (g) Where a payment is received by the Lender from the Borrowers, the Lender may elect, either before or after default, whether to apply that payment first towards the interest with the remainder, if any, applied to the Facilities balance, or to apply the full payment towards the reduction of the Facilities outstanding balance first; or to any part or all of any Borrower's indebtedness or liability under any agreement between the Lender and any Borrower as the Lender deems appropriate, and any such application may be changed or varied from time to time.
- (h) The records and books maintained by the Lender in the usual and ordinary course of its business that touch or concern the state of accounts between the parties hereto shall be *prima facie* evidence of the true state of accounts between the parties for all purposes including litigation.

- (i) The Lender shall open and maintain books of account evidencing all Advances and all other amounts owing by the Borrowers to the Lender under each Facility. The Lender shall enter in those books details of all amounts from time to time Advanced, owing, paid or repaid by the Borrowers, and this information shall constitute prima facie evidence of the obligations of the Borrowers to the Lender under this Agreement with respect to all Advances and all other amounts owing by the Borrowers to the Lender under this Agreement. The failure of the Lender to correctly record any such amount or date shall not in any way affect the obligations of the Collateral Parties to pay all amounts due to the Lender under this Agreement, pursuant to, and in accordance with this Agreement. After a request by any Borrower, the Lender shall promptly advise the Borrowers of any entries made in the Lender's books of account. Acceptance by the Borrowers, without dispute, of the periodic statements pertaining to the Facilities acknowledges the liability of the Borrowers for Advances made during the period covered by such statement.
- (j) Repayment of the Facilities in full or in part (together with all accrued interest and other amounts payable hereunder) is permitted at any time without notice, bonus or penalty.

#### 4. **TERM**

The Facilities (together with all accrued interest and all other amounts payable hereunder) shall be repaid in full (and any obligation of the Lender to make advances hereunder shall be permanently cancelled) on demand. If demand has not previously been made by the Lender, the Facilities (together with all accrued interest and all other amounts payable hereunder) shall be repaid (and any obligation of the Lender to make Advances hereunder shall be permanently cancelled) in full upon the earlier of:

- (a) the Maturity Date; or
- (b) the occurrence of an Event of Default.

#### 5. **CONDITIONS PRECEDENT TO FUNDING**

##### 5.1 **Conditions Precedent to Effectiveness of this Agreement**

This Agreement shall become effective upon the fulfillment of the following:

- (a) *Delivery of Credit Documents.* The Lender shall have received sufficient copies, in form and substance satisfactory to the Lender, of the following:
  - (i) this Agreement duly executed by all the parties hereto;
  - (ii) each Security Document and all other Credit Documents duly executed by all the parties thereto;
  - (iii) a Certificate of each Borrower dated the Closing Date certifying:

- (A) that its constating documents and the by-laws, which shall be attached thereto or referenced therein, as applicable, are complete and correct copies and are in full force and effect;
  - (B) all resolutions and all other authorizations necessary to authorize the execution and delivery, and the performance by it, of its obligations under this Agreement, the Security Documents and the other Credit Documents to which it is a party and all the transactions contemplated thereby; and
  - (C) all representations and warranties contained in this Agreement are true and correct as if made on the date of the Certificate.
- (iv) opinion of counsel to each Borrower, addressed to the Lender and its counsel with respect to, *inter alia*, due authorization, execution, delivery and enforceability of the Credit Documents executed by the Borrower;
  - (v) duly executed certificate(s) of insurance evidencing the insurance required under this Agreement and any other Credit Document and endorsements of those policies each showing the Lender as first loss payee, first mortgagee and additional insured;
  - (vi) title insurance satisfactory to the Lender shall have been obtained and delivered to the Lender in respect of the Property; and
  - (vii) receipt by the Lender of such financial, corporate and other records or documents relating to Borrowers as required by the Commitment Letter and the Lender being satisfied with same;
- (b) *Payout and Discharge.* All funds owed by the Borrowers for the Existing Indebtedness shall be repaid in full and all Liens and/or security registrations made in favour of such creditors shall be discharged or the Lender shall have received an undertaking from such creditors to discharge all such Liens and/or security registrations in form and substance satisfactory to the Lender.
  - (c) *Registration of Security Documents.* All registrations, recordings and filings of or with respect to the Security Documents which in the opinion of the Lender's solicitor are necessary to render effective the Lien intended to be created thereby shall have been completed.
  - (d) *Fees.* All fees payable in accordance with the Facilities as set out in the Commitment Letter, on or before the Closing Date (including legal fees and expenses of the Lender), shall have been paid to the Lender.
  - (e) *Due Diligence.* The Lender shall have completed its business, legal and accounting due diligence with the respect to the Borrowers;
  - (f) *Material Adverse Change.* No Material Adverse Change shall have occurred with respect to the Collateral Parties.

## 5.2 Conditions Precedent to All Advances

The obligation of the Lender to make available any Advance after the conditions in Section 5.1 being satisfied, are subject to and conditional upon each of the conditions below being satisfied on the applicable Drawdown Date:

- (a) *No Default.* No Default or Event of Default has occurred and is continuing on the Drawdown Date, or would result from making the Advance.
- (b) *Representations Correct.* The representations and warranties contained in Section 8.1 shall be true and correct on each Drawdown Date as if made on that date.

## 5.3 Specific Conditions Precedent to Advances under the Construction Facility

Without limiting Sections 5.1 and 5.2 hereof, and in addition to the terms and conditions in the Commitment Letter, the obligation of the Lender to make available any Advance under the Construction Facility shall be subject to the following conditions:

- (a) Prior to the initial Advance under the Construction Facility:
  - (i) The Lender will have received the following:
    - (A) the Plans and Specifications included in Schedule C and such other Plans and Specifications as requested by the Lender from time to time, which are all subject for approval by the Lender;
    - (B) the Construction Budget, for approval by the Lender;
    - (C) copies of all Construction Contracts, including all amendments thereof;
    - (D) the Project Schedule;
    - (E) copies of all site plans and development agreements and building permits issued by any Governmental Authority with respect to the Project;
    - (F) a list of all architects, engineers, contractors, subcontractors and other engaged to perform work or services or supply materials with respect to the Project;
    - (G) evidence that the Borrower obtained the necessary insurance as provided in Section 9.1(d)(i)(F);
    - (H) evidence satisfactory to the Lender that all required building and development permits in connection with the Project have been issued; and
    - (I) evidence satisfactory to the Lender that the Borrower has entered into unconditional Agreements of Purchase and Sale to sell no less



than 50% of the Units and the Lender received a detailed listings of all Agreements of Purchase and Sale and full copies of same.

- (b) Prior to each Advance under the Construction Facility::
- (i) At all times the outstanding amount under the Construction Facility shall not exceed the total cost of work in place less all applicable holdbacks under the *Construction Lien Act* and the unadvanced amount of the Construction Credit Facility shall not be less than the aggregate of the construction costs that are estimated to complete the Project plus all Lien Holdbacks. In that regard, the Borrower shall deliver to the Lender the Request for Advance in the form attached in Exhibit "A" executed by the Borrower and approved and acknowledged by the Approved General Contractor and the Approved Project Architect (both as named in Schedule "E") together with a report, in form, substance and detail satisfactory to the Lender, from the Quantity Surveyor..
  - (ii) If, at any time, the unadvanced amount of the Construction Facility is not sufficient to complete construction of the Project and to maintain all Lien Holdbacks, the Borrower shall fund from its own resources all cost overruns and shortfall required to complete the construction of Project.
  - (iii) The Lender shall receive a satisfactory report from its solicitor following a land title search on the Property that the Property is free and clear of all Liens, except for those created by the Security Documents in favour of the Lender, and except as otherwise approved by the Lender in writing.

#### 5.4 **Waiver of any Condition Precedent**

The conditions stated in Section 5.1 and Section 5.2 and 5.3 are inserted for the sole benefit of the Lender and the conditions stated therein may only be waived by the Lender, and any such waiver may be made in whole or in part, with or without terms or conditions and in respect of all or any portion of the Advances, without affecting the right of the Lender to assert terms and conditions in whole or in part in respect of any other future Advance.

#### 6. **PARTIAL DISCHARGE**

Notwithstanding anything to the contrary herein, upon the sale of each Unit the Borrower shall pay to the Lender the Net Sale Proceeds, on account of the amount outstanding under the Facilities. Upon payment of such Net Sale Proceeds the Borrower shall be entitled to obtain a partial discharge of the Mortgage from the respective sold Unit. It is agreed that any payment received by the Lender, as provided herein, shall result in a permanent reduction of the aggregate amount of the Facilities.

#### 7. **SECURITY**

- (a) The Borrowers and Guarantors shall cause the following Security Documents and Guarantees to be executed and delivered to the Lender on or prior to the Closing

Date, to secure the Obligations, each in form and substance satisfactory to the Lender:

- (i) a first collateral charge in the amount of \$5,500,000 from 2307400 Ontario Inc. and 2209326 Ontario Ltd. over the Property;
- (ii) a general assignment of rents and leases from 2307400 Ontario Inc. and 2209326 Ontario Ltd. to be registered against the Property;
- (iii) a general security agreement executed by each Borrower, creating a first priority security interest in all of the present and future personal property, assets and undertaking of the Borrower, registered in every location where the Borrower has assets;
- (iv) an agreement by the Borrowers to fund any cost overrun on the Project from its own resources;
- (v) an assignment of all insurance policies executed by each Collateral Party, including without limitation, all builder's risk, fire and all perils insurance on real property and policies insuring the assets of each Collateral Party;
- (vi) joint and several guarantees (governed by the laws of Ontario) of the Obligations, executed by each of Raymond Jarvis and John Jarvis;
- (vii) an assignment of all material contracts executed by the Borrowers, including without limitation, all development and construction contracts, permits, plans with respect to the Project; and
- (viii) an assignment of all agreements of purchase and sale executed by the Borrowers;

which shall be provided contemporaneously with the execution of this Agreement, and shall be in form and substance satisfactory to the Lender and shall be supported by all necessary resolutions and opinions (each in form and substance satisfactory to the Lender and the Lender's counsel). Furthermore, the Borrowers and Guarantors acknowledge that the Lender has at all times a Lien against shares in the Lender owned by the Borrowers or Guarantors and against such monies on deposit by the Borrowers or Guarantors with the Lender. If the Borrowers are in default under this Agreement, the Lender may apply such shares and deposits to repayment of any balance outstanding and the Lender shall retain the right to recover from the Borrowers or Guarantors any deficiency should the balance outstanding exceed the value of such shares and deposits.

## 8. **WARRANTIES AND REPRESENTATIONS**

### 8.1 **Representations and Warranties of the Borrowers**

- (a) Each Borrower makes the following representations and warranties to the Lender, all of which shall survive the execution and delivery of this Agreement and each Borrower acknowledges and confirms that the Lender is, among other things, relying upon such representations and warranties as a basis for its decision to enter

into this Agreement and all other Credit Documents, and to make Advances hereunder:

- (i) *Status.* It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and it has the power and authority to own its property and assets and to transact the business in which it is engaged and presently proposes to engage. It is duly qualified to carry on its business, and is in good standing, in each jurisdiction where the ownership, leasing or operation of its property or the conduct of its business requires such qualification except where not being so qualified would not have a Material Adverse Effect.
- (ii) *Power and Authority.* It has the corporate power to execute, deliver and perform the terms and provisions of each Credit Document to which it is a party and has taken all necessary action to authorize the execution, delivery and performance by it of each Credit Document to which it is a party. The Borrower has duly executed and delivered each Credit Document to which it is a party, and each such Credit Document constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium or similar laws affecting creditors' generally, the fact that specific performance and injunctive relief may only be given at the discretion of the courts, and the equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments.
- (iii) *No Violation.* Neither the execution, delivery or performance by the Borrower of the Credit Documents to which it is a party, nor compliance by it with the terms and provisions thereof, contravenes any Applicable Law, conflicts with or results in any breach of any of the terms, covenants, conditions or provisions of, or constitutes a default under, or results in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Credit Documents) upon any of its property or assets pursuant to, any indenture, mortgage, deed of trust, credit agreement, loan agreement or any other agreement or instrument to which it is a party or by which it or any of its property or assets is bound or to which it may be subject, or breaches or violates any provision of its constating documents or any Contractual Obligation to which it is a party.
- (iv) *Approvals.* No order, consent, certificate, approval, permit, license, authorization or validation of, or filing, recording or registration with, or exemption by, any Person (including any Governmental Authority, shareholder, member or partner, or any Person that is party to a Contractual Obligation of the Borrower) is required to authorize, or is required in connection with, the execution, delivery or performance by the Borrower of any Credit Document, or the legality, validity, binding effect or enforceability with respect to it of any such Credit Document, or the consummation of the transactions contemplated therein, other than filings and recordings with respect to the Collateral to be made, or otherwise

delivered to the Lender for filing or recordation, on or prior to the Closing Date.

- (v) *Security Documents.* The Security Documents create, and grant to the Lender, valid and enforceable first priority Liens upon the Collateral, subject only to the terms of this Agreement and to Permitted Liens, on the terms set out therein, and the Security Documents have been registered or recorded, as applicable, in all places where registration or recording, as applicable, is necessary to perfect the charges and security interests created thereby.
- (vi) *Title to Collateral.* The Borrower has good and marketable title to all of its Collateral, free and clear of all Liens other than Permitted Liens.
- (vii) *Financial Statements.* The Financial Statements submitted to the Lender for the Fiscal Years ended December 31, 2013, December 31, 2014, and December 31, 2015, present fairly, in all material respects and all Financial Statements submitted to the Lender during the term of this Agreement, present or will present fairly, the financial position of the Borrower and all such Financial Statements have been, or will be, as applicable, prepared in accordance with GAAP. Since December 31, 2015, there has been no Material Adverse Change.
- (viii) *Litigation.* There are no outstanding Claims against the Borrower.
- (ix) *Disclosure.* No Credit Document furnished to the Lender by or on behalf of the Borrower for use in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which the same were made. There are no facts known (or which should upon the reasonable exercise of diligence be known) to the Borrower (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in the other Credit Documents furnished to the Lender for use in connection with the transactions contemplated hereby.
- (x) *Taxes.* All Tax returns and reports required to be filed by the Borrower have been filed in a timely manner, and all Taxes due and payable on such Tax returns, and all assessments, fees and other governmental charges levied against the Borrower, and upon their respective assets, have been paid when due; and the Borrower has not received notice of any proposed tax audits with respect to the Borrower, or of any tax assessments against the Borrower, that are not being actively contested in good faith by appropriate proceedings by the Borrower and in respect of which adequate reserves or other appropriate provisions, if any, have been made in accordance with GAAP and the details thereof have been provided to the Lender to its satisfaction.

- (xi) *Compliance with Applicable Laws.* The Borrower (i) has obtained and is in compliance with all Governmental Approvals that are necessary for the conduct of its business as presently conducted, and as contemplated by it to be conducted, and the use of its property and assets (both real and personal), each of which is in full force and effect, is a good, valid and subsisting approval that has not been surrendered, forfeited or become void or voidable, and (ii) is in compliance in all material respects with all Applicable Laws, including Environmental Laws.
- (xii) *Insurance.* The Borrower maintains insurance in compliance with Section 9(d) and all premiums and other sums of money payable for that purpose have been paid.
- (xiii) *Real Property.* The Borrower has legal and marketable title to the Property, free and clear of all Liens other than Permitted Liens.
- (xiv) *Environmental Matters.* The Borrower, nor any of its premises or operations used in the conduct of its business, is subject to any outstanding written order, consent decree or settlement agreement with any Person relating to any Environmental Law, any Environmental Claim, or any activity relating to any Hazardous Substance. The Borrower has not received any letter or request for information under any provincial, federal or state law or law of any other jurisdiction applicable to it, in respect of any Substance or any activity relating thereto that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. The Borrower's premises and operations is free from the presence of all Hazardous Substances except for such presence that could not individually or in the aggregate reasonably be expected to have a Material Adverse Effect. The Borrower has not caused or suffered to occur any Release of any Hazardous Substance on, at, in, under, above, to or from any real property owned, leased or otherwise used by it or any other real property that could individually or in the aggregate reasonably be expected to have a Material Adverse Effect. The Borrower has no knowledge of any conditions, occurrences or activities relating to any Hazardous Substance, which could reasonably be expected to form the basis of an Environmental Claim against the Borrower. The Borrower has been, in compliance with all Environmental Laws. The Borrower has obtained, and is in compliance with, all Environmental Permits required by Environmental Laws for the operations of its businesses as presently conducted or as proposed to be conducted and all such Environmental Permits are valid, uncontested and in good standing. No event or condition has occurred or is occurring with respect to the Borrower relating to any Environmental Law, any Release of any Hazardous Substances, or any activity relating to any Hazardous Substance which individually or in the aggregate has had, or could reasonably be expected to have, a Material Adverse Effect.
- (xv) *No Defaults.* The Borrower is not in default in the performance, observance or fulfillment of any of its obligations, covenants or conditions contained in any Contractual Obligations, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such

a default, except where the consequences, directly or indirectly, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

(xvi) *Default.* No Default or Event of Default has occurred which is continuing.

(b) **Deemed Repetition**

The representations and warranties made in Section 8.1(a) shall be deemed to be repeated on each Advance, as if made on and as of each such date.

9. **COVENANTS**

9.1 **Affirmative Covenants**

While any obligation of the Borrowers or the Lender is outstanding under any Credit Document, each Borrower agree as follows:

- (a) **Maintenance of Business-** It shall preserve and maintain its existence, and preserve and keep in force and effect all licenses, permits and franchises necessary to the proper conduct of its business.
- (b) **Maintenance of Properties-** It shall maintain, preserve and keep the Property and its other assets in good repair, working order and condition (ordinary wear and tear excepted) and shall from time to time make all needed and proper repairs, renewals, replacements, additions and improvements thereto so that at all times the efficiency thereof shall be fully preserved and maintained.
- (c) **Taxes and Assessments-** It shall duly pay and discharge, all Taxes, rates, assessments, fees and governmental charges upon or against it or its property and assets, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves are provided therefor.
- (d) **Insurance**
  - (i) It shall maintain in force, with good and responsible insurance companies, insurance coverage on its property, assets and undertaking that includes the following coverages:
    - (A) All risks of direct physical loss or damage, including, without limitations, coverage for the foundations of all improvements and flood and earthquake coverage, all on a full replacement cost basis;
    - (B) Comprehensive broad form boiler and machinery insurance covering all pressure vessels (whether fired or unfired), air conditioning and miscellaneous electrical apparatus, for an amount satisfactory to the Chargee, with loss payable to the Chargee under a Boiler and Machinery Insurance Association Charge clauses;

(C) Business interruption or rental income loss coverage on a gross profits or rentals form sufficient to cover 100% of the loss of rent or loss of business income from the business conducted on the Property for a period of twelve (12) months, based on the greater of actual or projected revenue, in respect of all perils described in (a) and (b) above;

(D) Comprehensive general liability insurance, inclusive of bodily injury, death, property damage for loss, for a minimum amount of \$5,000,000.00 per occurrence or such other amount as the Lender may reasonably request;

(E) Theft of chattels;

(F) During such time or times as there is construction of any building or other improvements on the Property, the Borrower will maintain all-risk builder's insurance with stated minimum amount of \$5,000,000 or such other amount as the Lender may require;

(ii) The Borrower shall, upon request, furnish to the Lender a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section 9.1(d).

(iii) All insurance required hereby shall be maintained in amounts and under policies and with insurers acceptable to the Lender, and all such policies shall name the Lender as first loss payee, first mortgagee and additional insured and shall contain a standard mortgage clause all in form and content acceptable to the Lender. The Borrower shall pay or caused to be paid when due all premiums on such insurance. Certificates of insurance evidencing compliance with the foregoing and, at the Lender's request, the policies of such insurance shall be delivered by the Borrower to the Lender. All insurance required hereby shall provide that no cancellation thereof shall be effective until at least 30 days after receipt by the applicable the Borrower and the Lender of written notice thereof, and shall be satisfactory to the Lender in all other respects. In case of any material loss, damage to or destruction of the Collateral or any part thereof, the Borrower shall promptly give written notice thereof to the Lender generally describing the nature and extent of such damage or destruction. The Borrower shall forthwith on the happening of any loss, damage or destruction of the Collateral or any part thereof, furnish at their own expense all necessary proofs and do all necessary acts to enable the Lender to obtain payment of the insurance monies, and all monies received by virtue of any policy or policies of insurance may at the sole option of the Lender:

(A) be forthwith applied towards substantially rebuilding, reinstating and repairing the Collateral; or

(B) be applied in or towards the repayment of the Obligations; or

(C) be applied partly in one way and partly in another as the Lender in its sole discretion may determine.

Pending application of the insurance monies for purposes aforesaid, the same shall be deemed to form part of the Collateral and be subject to the charges thereon. The Borrower hereby authorizes the Lender, at the Lender's option, to adjust, compromise and settle any Losses under any insurance afforded to the Borrower, and hereby irrevocably constitutes the Lender, and each of its nominees, officers, agents, attorneys, and any other Person whom the Lender may designate, as its attorney, with full power and authority to effect such adjustment, compromise and/or settlement and to endorse any drafts drawn by an insurer of the Collateral or any part thereof and to do everything necessary to carry out such purposes. All insurance proceeds shall be subject to the Lien of the Lender under the Security Documents.

(iv) Unless it provides the Lender with evidence of the insurance coverage required by this Agreement, the Lender may purchase insurance at the Borrower's expense to protect the Lender's interests in the Collateral, and the Lender shall not be required to require such coverage to apply to claims made by or against the Borrower. The Borrower may later cancel any such insurance purchased by the Lender, but only after providing the Lender with evidence that the Borrower has obtained insurance as required by this Agreement. If the Lender purchases insurance for the Collateral, the Borrower shall be responsible for the costs of that insurance, including interest and any other charges that the Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance shall be added to the Obligations. The costs of the insurance may be more than the cost of insurance the Borrower may be able to obtain on its own.

(e) **Financial Reports.** It shall maintain a standard system of accounting in accordance with GAAP and shall promptly furnish to the Lender and its duly authorized representatives such information respecting its business and financial condition as the Lender may reasonably request; and without limiting the foregoing, it shall provide the following information to the Lender:

(i) *intentionally deleted.*

(ii) as soon as available, and in any event within one hundred and twenty (120) days after the last day of each Fiscal Year of the Borrower, a copy of the Audited Financial Statements for the Borrower accompanied by an unqualified opinion of the Auditor, confirming that the financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP financial condition of the Borrower as of the close of such Fiscal Year.

(iii) promptly after knowledge thereof shall come to the attention of any officer or director of the Borrower, written notice of any threatened or pending litigation or governmental proceeding against the Borrower or any



Guarantor that, if adversely determined, would have a Material Adverse Effect, or of the occurrence of any Default or Event of Default;

- (iv) promptly after knowledge thereof shall come to the attention of any officer or director of any Collateral Party, written notice of any Default or Event of Default.

(f) **Construction Covenants.** The Borrower will:

- (i) proceed to complete the Project with diligence and continuity in a good and workmanlike manner, in accordance with sound building and engineering practices and in accordance with the Plans and Specifications approved by the Lender;
- (ii) comply in all material respects with all site plans and development agreements and building permits issued by any Governmental Authority and all Applicable Laws with respect to the Project;
- (iii) not make changes to the Plans and Specifications without the Lender's prior written consent;
- (iv) use Advances under the Construction Facility only for payment of Project Costs and for no other purpose;
- (v) the Borrower shall warrant and defend title to the Property and the Project and shall immediately discharge, by payment into court or by posting bonds, all claims for lien or certificates of action under the *Construction Lien Act*.
- (vi) ensure that the unadvanced amount of the Construction Facility shall at all times be sufficient to pay the Project Costs required to complete the Project and to pay from its own resources all cost overruns and shortfall required to complete the construction of Project; and
- (vii) notify the Lender of any deviations from the Construction Budget.

- (g) **Inspection; Appraisals; Verification.** It shall permit (and arrange for all access required to permit) the Lender and its duly authorized representatives and agents, to (i) examine and make copies of the corporate books and books of accounts and other financial records of the Borrower, (ii) discuss the affairs, finances and accounts of the Borrower with, and to be advised as to the same by, its officers, employees and independent chartered accountants (and the Borrower hereby authorizes its accountants to discuss with the Lender the finances and affairs of the Borrower), and (iii) conduct field exams at any of the premises of the Borrower. The Lender may from time to time obtain (or direct the Borrower to obtain and provide to the Lender) updated appraisals of the Property, or any portion thereof, as the Lender may designate, which appraisal reports shall in each case be prepared by an appraiser acceptable to the Lender and be in such format and contain such detail as the Lender may reasonably request. All costs and

expenses incurred in obtaining any appraisal hereunder shall be paid by the Borrower (whether obtained by the Lender or by the Borrower). It shall, upon request by the Lender at any time and from time to time, deliver to the Lender such evidence of the existence, identity and location of the Collateral and of its availability as collateral security pursuant hereto. It agrees that the Lender shall have the right to verify all or any part of the Collateral in any manner, and through any medium, that the Lender considers appropriate and it agrees to furnish all assistance and information, and perform any acts, that the Lender may require in connection therewith.

- (h) **Location of Collateral and Offices.** The Collateral is and shall remain in the possession or control of the applicable Collateral Party at the Permitted Collateral Locations.
- (i) **Compliance with Laws.** It shall comply in all material respects with the requirements of all Applicable Laws.

## 9.2 Negative Covenants

While any obligation of the Borrowers or the Lender is outstanding under any Credit Document, each Borrower agrees as follows:

- (a) *Change of Name.* It shall not change its name without first giving not less than thirty (30) days' prior written notice of its intent to do so to the Lender.
- (b) *Limitation on Liens.* It shall not directly or indirectly, make, create, incur, assume or suffer to exist any Lien upon or with respect to any Collateral, whether now owned or hereafter acquired, other than Permitted Liens and save and except a Lien in favour of the Deposit Insurer, which shall be subordinated to all Liens in favour of the Lender.
- (c) *Disposition of Assets.* It shall not sell, lease, transfer, assign, convey or otherwise dispose of any of its properties or assets except in the ordinary course of business and in accordance with the terms of the Credit Documents.
- (d) *Consolidations and Mergers.* It shall not merge, consolidate, amalgamate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favour of any Person.
- (e) *Limitations on Debt.* It shall not create, incur, assume, suffer to exist, or otherwise become or remain directly or indirectly liable with respect to, debt in an aggregate amount exceeding \$50,000, without the prior written consent of the Lender, except: (i) debt incurred pursuant to this Agreement; (ii) unsecured debts owing to any shareholder of the Borrower; or (iii) debt for amounts payable to suppliers in the ordinary course of business.
- (f) *Management Fees and Compensation.* It shall not pay any management, consulting or similar fees to any officer, director or employee of it except payment of reasonable compensation and expense reimbursement to officers and

employees for actual services rendered to, and expenses incurred for, it in the ordinary course of business and consistent with past practices.

- (g) *Change in Structure.* It shall not make any changes in its share capital structure, or amend its constating documents (including any shareholder agreement).
- (h) *Accounting Changes.* It shall not make any significant change in accounting treatment or reporting practices, except as required by GAAP, or change its Auditor or Fiscal Year.

## 10. **DEFAULT AND ENFORCEMENT**

### (a) **Events of Default**

Without limiting the Lender's right to make demand at any time in respect of the Facilities, the occurrence of any of the following events shall constitute an event of default (an "**Event of Default**") under this Agreement:

- (i) *Payment Defaults.* Failure by the Borrowers to pay to the Lender when due all amounts owing to the Lender under any Credit Document, including without limitation, all principal amounts, interest and other Obligations.
- (ii) *Non-Payment Defaults.* Failure of any Borrower to comply with any covenant in Sections 9.1 and 9.2 of this Agreement and such Default continues for ten (10) days after that Borrower shall have received written notice of such Default from the Lender.
- (iii) *Non-Payment Defaults (Other).* Failure of any Collateral Party to comply with any covenant given in favour of the Lender in any Credit Document if such Default is capable of being remedied but such Default has not been remedied within ten (10) days after the earlier of (A) the date on which an officer of any Collateral Party became aware of such Default, and (B) the date on which the Borrowers received notice of such Default from the Lender.
- (iv) *Representations and Warranties.* Any representation, warranty, certification or statement made or deemed to be made by any Collateral Party in any Credit Document is untrue in any material respect as of the date on which such representation, warranty, certification or statement was made or deemed to have been made.
- (v) *Action by Other Creditors.* Any judgment, writ, warrant of attachment, distress or any similar process in an amount exceeding \$20,000 is entered or filed against one or more of the Collateral Parties or against any Collateral (or which, when combined with other judgments, writs, warrants of attachment, distress or other similar proceedings entered or filed against one or more Collateral Parties or against any Collateral, exceeds an aggregate amount of \$50,000), and such judgment, writ, warrant of attachment, distress or any similar process is not diligently appealed in good faith and vacated, bonded, stayed or satisfied within thirty (30) days

thereafter or, within such thirty (30) day period, any Collateral is possessed or seized by any such third party creditor.

- (vi) *Invalidity and Contest.* (i) Any Credit Document, or any provision thereof, shall at any time cease to be a legally binding and enforceable obligation of any Credit Party that is a party thereto in accordance with its terms or be declared null and void, (ii) the legality, validity, binding nature or enforceability of any Credit Document, or any provision thereof, shall be contested by any Credit Party, or (iii) any Credit Party shall deny that it has any further liabilities or obligations under any Credit Document to which it is a party except as permitted under such Credit Document.
- (vii) *Governmental Approvals.* Any Governmental Approval required for the Borrower to conduct its business substantially in the manner presently conducted or to perform its obligations under any Credit Document is not obtained or is withdrawn or ceases to be in full force and effect and (i) in the Lender's opinion, it is not possible for the Borrowers to obtain such Governmental Approval within 30 days after the date on which such Governmental Approval was required or withdrawn, as applicable, or (ii) in the Lender's opinion, it is possible for the Borrower to obtain such Governmental Approval within 30 days after the date on which such Governmental Approval was required or withdrawn, as applicable, but such Governmental Approval is not obtained within such 30 day period.
- (viii) *Voluntary Proceedings.* Any Collateral Party (i) institutes proceedings for substantive relief in any bankruptcy, insolvency, debt restructuring, reorganization, readjustment of debt, dissolution, liquidation, winding-up or other similar proceedings (including proceedings under the *Bankruptcy and Insolvency Act* (Canada), the *Winding-up and Restructuring Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), incorporating statute (or other legislation, document or agreement creating such Collateral Party), including proceedings for the appointment of a trustee, interim receiver, receiver, receiver and manager, administrative receiver, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official with respect to such Collateral Party or all or any material part of the Collateral, or (ii) makes an assignment for the benefit of creditors, or (iii) is unable, or admits in writing its inability, to pay its debts as they become due or otherwise acknowledges its insolvency or commits any other act of bankruptcy or is insolvent under any applicable legislation, or (iv) voluntarily suspends the conduct of its business or operations, or (v) acquiesces in, or takes any action in furtherance of, any of the foregoing.
- (ix) *Involuntary Proceedings.* If any third party (i) makes any application under the *Companies' Creditors Arrangement Act* (Canada), the *United States Bankruptcy Code* or similar legislation in Canada or the United States of America in respect of any Collateral Party, or (ii) files a proposal or notice of intention to file a proposal under the *Bankruptcy and Insolvency Act* (Canada), or similar legislation in respect of any Collateral Party, or (iii) institutes any winding-up proceeding under the *Winding-up and*

*Restructuring Act* (Canada), any relevant incorporating statute or any similar legislation in respect of any Collateral Party, or (iv) presents a petition in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or any similar legislation in respect of any Collateral Party, or (v) files, institutes or commences any other petition, proceeding or case under any other bankruptcy, insolvency, debt restructuring, reorganization, incorporation, readjustment of debt, dissolution, liquidation, winding-up or similar law now or hereafter in effect, seeking bankruptcy, liquidation, reorganization, dissolution, winding-up, composition or readjustment of debt of any Collateral Party, the appointment of a trustee, interim receiver, receiver, receiver and manager, administrative receiver, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official for any Collateral Party, or any material part of any Collateral Party's assets or any similar relief; unless such application, filing, proceeding, petition or case, as applicable, is being contested in good faith by *bona fide* action on the part of the relevant Collateral Party and is dismissed, stayed or withdrawn within 30 days after the commencement thereof.

- (x) *Material Adverse Change.* At any time an event or circumstance occurs that, in the opinion of the Lender, is or will be a Material Adverse Change.
- (xi) *Loss of Collateral, etc.* Any loss, theft, damage or destruction occurs with respect to any Collateral if the amount not covered by insurance exceeds \$50,000 (excluding any related deductible under insurance policies).
- (xii) *Dissolution, etc.* The dissolution, liquidation, wind-up or termination of existence of the Borrower or if any proceedings are commenced in respect thereof unless, in the case of proceedings not brought by the Borrower, such proceedings are being actively and diligently contested in good faith by *bona fide* action on the part of the Borrower and is dismissed, stayed or withdrawn within 30 days after the commencement thereof.

(b) **Rights upon Default and Event of Default or Demand**

Upon the occurrence of a Default which is continuing, the Lender may, on notice to the Borrowers, declare that the ability of the Borrowers to require any further Advances under the Facilities shall be suspended. Upon the occurrence of an Event of Default which is continuing, the Lender may do either or both of the following:

- (i) declare that the commitment under any or all of the Facilities has expired and that the Lender's obligation to make Advances has terminated; and
- (ii) declare the entire amount of the Facilities outstanding, all unpaid accrued interest and all fees and other amounts required to be paid by the Borrowers hereunder to be immediately due and payable without the necessity of presentment for payment, notice of non-payment and of protest (all of which are hereby expressly waived) and proceed to exercise any and all rights and remedies hereunder and under any other Credit

Document. Immediately upon receipt of such declaration, the Borrowers shall pay to the Lender all amounts outstanding hereunder.

(c) **Waiver of Default**

No express or implied waiver by the Lender of any demand, Default or Event of Default shall in any way be or be construed to be a waiver of any future or subsequent Default or Event of Default. To the extent permitted by Applicable Law, the Collateral Parties hereby waive any rights now or thereafter conferred by statute or otherwise which may limit or modify any of the Lender's rights or remedies under any Credit Document. The Collateral Parties acknowledge and agree that the exercise by the Lender of any rights or remedies under any Credit Document without having declared an acceleration shall not in any way alter, affect or prejudice the right of the Lender to make a declaration pursuant to Section 10(b) at any time and, without limiting the foregoing, shall not be construed as or deemed to constitute a waiver of any rights under Section 10(b).

**11. REMEDIES**

(a) **Remedies Cumulative**

For greater certainty, the rights and remedies of the Lender under this Agreement and the other Credit Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by the Lender of any right or remedy upon the occurrence of a demand, Default or Event of Default shall not be deemed to be a waiver of, or to alter, affect or prejudice any other right or remedy to which the Lender may be lawfully entitled as a result of the demand, Default or Event of Default, and any waiver by the Lender of the strict observance of, performance of or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted thereby, shall be deemed not to be a waiver of any subsequent demand, Default or Event of Default.

(b) **Remedies Not Limited**

The Lender may, to the extent permitted by Applicable Law, bring suit at law, in equity or otherwise, for any available relief or purpose including, but not limited to: (a) the specific performance of any covenant or agreement contained in this Agreement or in any other Credit Document; (b) an injunction against a violation of any of the terms of this Agreement or any other Credit Document; (c) in aid of the exercise of any power granted by this Agreement or any other Credit Document or by law; or (d) the recovery of any judgment for any and all amounts due in respect of the Obligations.

(c) **Set-Off**

Upon the occurrence of demand, Default or Event of Default, the Lender and each of its branches and offices are hereby authorized by each Collateral Party from time to time, without notice to: (a) set off and apply any and all amounts owing by the Lender or any of its branches or offices to any Collateral Party (whether

payable in Canadian Dollars or any other currency and any amounts so owing in any other currency may be converted into one or more currencies in which the Obligations are denominated at such rate or rates as the party may be able to obtain, acting reasonably, and whether matured or unmatured, and in the case of deposits, whether general or special, time or demand and however evidenced) against and on account of the Obligations (whether or not any declaration under Section 10(b) has been made and whether or not those Obligations are unmatured or contingent); (b) hold any amounts owing by the Lender as collateral to secure payment of the Obligations owing to it to the extent that those amounts may be required to satisfy any contingent or unmatured Obligations owing to it; and (c) return as unpaid for insufficient funds any and all cheques and other items drawn against any deposits so held as the Lender in its sole discretion may elect. For greater certainty, and in addition to the rights, powers and remedies set out above, the Lender and each of its branches and offices may exercise at their discretion any and all set-off and other rights and remedies afforded to each of them pursuant to Applicable Law.

(d) **Lender May Perform Covenants**

If any Collateral Party fails to perform any of its obligations under any covenant contained in this Agreement or any other Credit Document, the Lender may (but has no obligation to), upon notice to the Borrower, perform any covenant on behalf of such Collateral Party and, if the covenant requires the payment or expenditure of money, the Lender may make pay such expenditure, and such payments shall be added to the amount outstanding under the Facilities together with interest and shall be repaid by the Borrower Group upon demand by the Lender.

12. **GENERAL PROVISIONS**

- (a) **Membership.** The rights of the Borrowers under this Agreement are subject to the condition that each Borrower remains a member of the Lender until the expiration of the ninety (90) day period next following the date on which the Borrower gives notice of its intention to withdraw from membership in the Lender, or on such earlier date as may be specified by the Lender. Where a Borrower ceases to be a member of the Lender, the Borrowers shall thereupon repay all amounts advanced and outstanding under this Agreement or any other Credit Document.
- (b) **Assignment.** This Agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors and any permitted Assignees. The Collateral Parties shall not assign, delegate or transfer all or any part of their rights or obligations under this Agreement without the prior written consent of the Lender, which consent may be withheld in the Lender's sole discretion. The Lender may, without the prior written consent of the Borrower, assign all or any part of its rights and obligations in respect of the Credit Documents to one or more financial institutions or other entities (each an "Assignee"), and any such assignment shall become effective upon receipt by the Borrower of (i) written notice from the Lender that it has assigned all or any part of its rights under the Credit Documents and (ii) a written undertaking from the Assignee (addressed to all the parties to this Agreement) agreeing to be bound by this Agreement

and to perform the obligations assigned to it. Any Assignee shall be treated as a lender for all purposes of this Agreement, shall be entitled to the full benefit hereof and shall be subject to the obligations of the Lender to the same extent as if it were an original party in respect of the rights or obligations assigned to it, and the Lender shall be released and discharged accordingly and to the same extent, and the Schedules hereto, as applicable, shall be amended accordingly from time to time without further notice or other requirement. The Lender may disclose to any prospective Assignee, on a confidential basis, such information concerning the Collateral Parties, their businesses and properties as it considers appropriate, without liability to any Collateral Party.

- (c) **Amendments.** No amendment or waiver of any provision of this Agreement or consent to any departure by a party from any provision of this Agreement will be effective unless it is in writing, and any such amendment, modification, waiver or consent will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given.
- (d) **Notice.** Unless otherwise specified, any notice or other communication required or permitted to be given to a party under this Agreement shall be in writing and may be delivered personally or sent by prepaid registered mail or by facsimile, to the address or facsimile number of the party set out in Schedule F or to such other address, facsimile number or other Person's attention as the party may have specified by notice in writing given under this Section. Any notice or other communication shall be deemed to have been given (i) if delivered personally, when received (or upon refusal of receipt); (ii) if mailed, subject to Section 12(e), on the fifth Business Day following the date of mailing; (iii) if sent by facsimile, on the Business Day when the appropriate confirmation of receipt has been received if the confirmation of receipt has been received before 3:00 p.m. on that Business Day or, if the confirmation of receipt has been received after 3:00 p.m. on that Business Day, on the next succeeding Business Day; and (iv) if sent by facsimile on a day which is not a Business Day, on the next succeeding Business Day on which confirmation of receipt has been received.
- (e) **Disruption of Postal Service.** If a notice has been sent by prepaid registered mail and before the fifth Business Day after the mailing there is a discontinuance or interruption of regular postal service so that the notice cannot reasonably be expected to be delivered within five Business Days after the mailing, the notice will be deemed to have been given when it is actually received (or upon refusal of receipt).
- (f) **Further Assurances.** Each Collateral Party agrees to comply with all terms and conditions of each of the Credit Documents and, at any time and from time to time, upon request of the Lender, each Collateral Party shall execute and deliver, or shall cause to be executed and delivered, to the Lender, such further Credit Documents or instruments and shall do or cause to be done such further acts as the Lender may deem necessary or desirable to ensure such compliance, to give effect to the intent of the Credit Documents and to secure the Obligations, including, without limitation; executing and delivering, or causing to be executed and delivered, such further Credit Documents or instruments as may be necessary or desirable to (i) give the Lender a first priority Lien in any and all property and assets now or hereafter acquired by the Borrower, subject only to Permitted Liens, and (ii) to assign all or any part of the Lender's rights and obligations hereunder to any Assignee.




- (g) **Waivers.** No failure to exercise, and no delay in exercising, on the part of the Lender, any right, remedy, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege shall preclude the exercise of any other right, remedy, power or privilege.
- (h) **Reimbursement of Expenses.** The Collateral Parties jointly and severally agree to: (a) pay or reimburse the Lender on demand, for all of its reasonable out-of-pocket costs and expenses (including legal fees) incurred in connection with the preparation, negotiation and execution of this Agreement and the other Credit Documents including any subsequent amendments of this Agreement or any other Credit Document, and the consummation and the administration of the transactions contemplated hereby including the reasonable fees and disbursements of counsel to the Lender; and (b) pay or reimburse, on demand, the Lender for all its costs and expenses (including without limitation, the Lender's administrative fees and legal fees) incurred in connection with the determination, preservation and enforcement of any responsibilities, rights and remedies under this Agreement and the other Credit Documents, including the reasonable fees and disbursements of its counsel (on solicitor and client basis). The obligations of the Collateral Parties under this Section 12(h) shall survive the repayment of all Advances and the termination of the Facilities.
- (i) **Governing Law.** This Agreement and each of the Credit Documents (unless the particular Credit Document otherwise provides) are governed by, and are to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.
- (j) **Counterparts.** This Agreement and the Credit Documents may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.
- (k) **Entire Agreement.** This Agreement and all other Credit Documents constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or oral.
- (l) **Conflict.** In the event of any conflict or discrepancy between the provisions of this Agreement and the provisions of the Security Documents and any other collateral agreements, the provisions of this Agreement shall govern.


*The Balance of the Page Left Blank Intentionally*

**IN WITNESS WHEREOF** the duly authorized officers of the parties have signed this Agreement and affixed their corporate seals as of the date first above written.


**NOBLE HOUSE DEVELOPMENT CORPORATION**

Per:   
Raymond Jarvis, A.S.O.  
I have the authority to bind the Corporation.

**2307400 ONTARIO INC.**

Per:   
Raymond Jarvis, President  
I have the authority to bind the Corporation.


**2209326 ONTARIO LTD.**

Per:   
Raymond Jarvis, President  
I have the authority to bind the Corporation.

**SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:**

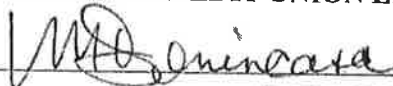
  
Witness

  
Raymond Jarvis

  
Witness

  
John Jarvis

**PACE SAVINGS & CREDIT UNION LIMITED**

Per: 

Name:

Title:

**MARY BENINCASA**  
**CHIEF OPERATING OFFICER**

Per: 

Name:

Title:

**BRIAN HOGAN**  
**VICE PRESIDENT COMMERCIAL CREDIT**

We have the authority to bind the Corporation.

## **SCHEDULE "A"**

### **LEGAL DESCRIPTION**

Units 1 -14, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville, District of Muskoka

### **PINS**

48880-0001(LT) through to and including 48880-0014(LT)

### **MUNICIPAL ADDRESS**

**SCHEDULE "B"**

**EXISTING INDEBTEDNESS**

**See Attached Payout Statement**



# BRANNAN LAW

B a r r i s t e r s   &   S o l i c i t o r s

David Peter Brannan, LLB  
Tracy Nanziri, LLB, LLM.

October 24, 2017

Ain & Whitehead LLP  
Barristers & Solicitors  
27 Clapperton St.,  
Suite 100A  
BARRIE, Ontario  
L4M 3E6

Attn: Andrew Ain

Dear Sir;

**RE:   Brannan et al mortgage to 2209326 Ontario Ltd/ 2307400 Ontario Inc.  
3 Crescent Rd., Units 1-14, Level 1, MSCC 80 Huntsville**

Further to your request for a discharge statement with respect to the above-mentioned mortgage as at October 25<sup>th</sup>, 2017, I wish to advise that the outstanding amount as at that date is as follows:

Principal amount:	\$2,250,000.00
Interest from October 12 <sup>th</sup> to October 25 <sup>th</sup> at \$462.33 per day:	\$     6,472.60
Discharge registration fee:	\$         75.27
Mortgage statement/discharge preparation fees and further legal fees:	\$     1,130.00
<b>TOTAL OUTSTANDING as at October 25, 2017:</b>	<b><u>\$2,257,677.80</u></b>

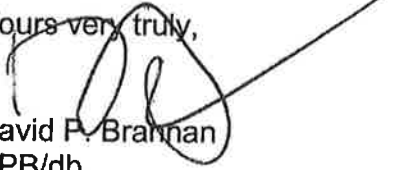
**Kindly make your certified cheque payable to David Brannan, in trust.**

I remain,

---

Suite 201 – 845 Wilson Avenue, Toronto, Ontario M3K 1E6  
416-636-9770 fax 416-636-1655  
email: david@brannanlaw.ca

Yours very truly,

  
David P. Brannan  
DPB/db

## Mortgage Discharge Statement

Mortgagor(s): 2209326 Ontario Ltd. / 2307400 Ontario Inc.  
Mortgagee: Andrew Turner  
Property: Units 1 - 14, Level 1, Muskoka Standard Condominium Corporation Plan  
No 80, Town of Huntsville  
Being PIN's 48880- 001- 0014

Principal Balance as of October 13, 2017: \$375,000.00

Accrued Interest to October 13, 2017: \$1,602.74

Other Charges \$7,839.00

(a) prepayment bonus @ interest for two months interest  
installments payable under the promissory note dated  
June 29, 2015 - \$7,500.00:

(b) fee for preparation of discharge \$339.00

**TOTAL: \$384,441.74**

If payment is received after October 13, 2017, it shall be subject to a Per Diem payment of \$123.81 per day.

This Statement is valid only until October 31, 2017, and is made expressly on the condition that all payments due up to and including the Payout Date are paid in full by certified cheque or bank draft. Payment should be made to :

William Harvey Jones "in trust"  
Barrister & Solicitor  
Suite 2702- 401 Bay Street  
Toronto, Ontario M5H 2Y4

Upon payment by you as set out above, we will prepare and deliver to you a release and discharge of the Mortgage.

DATED: October 5, 2017, 2017.

  
\_\_\_\_\_  
**ANDREW TURNER**



MORTGAGE STATEMENT  
FOR INFORMATION PURPOSES

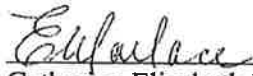
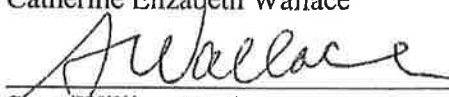
PARTICULARS OF MORTGAGE

MORTGAGOR: 2209326 Ontario Ltd. and 2307400 Ontario Inc.  
MORTGAGEE: Catherine Elizabeth Wallace and Scott William Wallace  
MORTGAGE REGISTRATION #MT154628  
REGISTRY OFFICE: Muskoka  
PROPERTY CHARGED: 3 Crescent Road, Huntsville, Ontario  
EFFECTIVE DATE: October 25, 2017  
DATE OF LAST PAYMENT: September 29, 2017

STATEMENTS RELATIVE TO MORTGAGE

Principal outstanding as of Date of Last Payment	\$472,097.18
Payments presently in arrears	\$0.00
Interest from Date of Last Payment to Effective Date (26days X \$154.79)	\$4,024.54
Taxes paid by Mortgagee and owed by Mortgagor	\$0.00
Insurance paid by Mortgagee and owed by Mortgagor	<u>\$0.00</u>
 Total as at Effective Date	 \$476,121.72
 Monthly Interest Payment	 \$4,720.97
 Interest Rate	 12%
Calculated monthly, not in advance	
The Mortgage is presently in good standing.	

Dated this 25 day of October, 2017

  
\_\_\_\_\_  
Catherine Elizabeth Wallace  
  
\_\_\_\_\_  
Scott William Wallace

# SMITH & ZOLDHELYI

Barristers and Solicitors

1235 Bay Street, Suite 301,  
Toronto, Ontario, Canada, M5R 3K4  
TEL: (416) 968-7037 • FAX: (416) 968-1303  
e-mail: ptzlaw@rogers.com

PETER T. ZOLDHELYI, B.Sc., LL.B.

MICHAEL R. SMITH, B.A., LL.B.

October 26, 2017

Andrew D. Ain  
Ain Whitehead LLP  
Barristers and Solicitors  
27 Clapperton St.  
Barrie, Ontario L4M 3E6

Dear Mr. Ain:

Re: R/MAX Ontario-Atlantic Canada Inc. (the "Mortgagee") promissory note from RE/MAX  
North Country Realty Inc. (the "Borrower") and supporting mortgage from 2209326  
Ontario Ltd. and 2307400 Ontario Inc. (the "Mortgagors")  
Your File No. 17-1020

---

We acknowledge receipt of letter of October 2, 2017. We have now been instructed by RE/MAX Ontario-Atlantic Canada Inc. to respond to your letter.

The principal balance outstanding on the above-noted mortgage, after the October 5, 2017 payment is the sum of \$161,776.36. Interest accrued to October 25, 2017 is the sum of \$443.20.

After October 25, 2017, the *per diem* rate of interest is \$22.16.

For purposes of discharge, we will require the foregoing funds payable to Peter T. Zoldhelyi, in trust, by certified cheque drawn on your trust account (not on your client's account) along with our legal fees and disbursements in the amount of \$640.27.

We will arrange to have our client execute the acknowledgement and direction with respect to the discharge and we undertake to hold all funds until we have registered and provided you with a copy of the registered cessation of charge.

Yours very truly,

**SMITH & ZOLDHELYI**

A handwritten signature in cursive script, appearing to read "Peter T. Zoldhelyi".

Per: Peter T. Zoldhelyi  
PTZ/rji  
Encl.

**SCHEDULE "C"**

**CONSTRUCTION BUDGET and PLANS AND SPECIFICATIONS**

Those delivered to the Lender prior to the date hereof.

## **SCHEDULE "D"**

### **LOCATIONS OF BORROWER:**

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

## **SCHEDULE "E"**

### **APPROVED GENERAL CONTRACTOR:**

Costello's  
Craighurst, ON

### **APPROVED PROJECT ARCHITECT:**

Bill Thompson  
Barrie, ON

## **SCHEDULE "F"**

### **ADDRESS FOR SERVICE:**

To the Lender: 8111 Jane Street, Unit 1 & 2  
Vaughan, Ontario L4K 4L7  
Attention: VP, Commercial Credit  
Facsimile No: (905) 738-8265

To Noble House: 101- 29 Main Street East  
Development Huntsville, Ontario P1H 2C6  
Corporation: Attention: Raymond Jarvis  
Facsimile: (705) 788-1441

To 2307400 101- 29 Main Street East  
Ontario Inc.: Huntsville, Ontario P1H 2C6  
Attention: Raymond Jarvis  
Facsimile: (705) 788-1441

To 2209326 75 West Road  
Ontario Ltd.: Huntsville, Ontario P1H 1T4  
Attention: Raymond Jarvis  
Facsimile: (705) 788-1441

To Raymond Jarvis: 65 Main St. West  
Huntsville, ON P1H 1W9  
Facsimile: (705) 788-1441

To John Jarvis: 14 Glenwood Drive  
Huntsville, ON P1H 1B8  
Facsimile: (705) 788-1441

**EXHIBIT "A"**

**REQUEST FOR ADVANCE**

<b>TO: PACE SAVINGS &amp; CREDIT UNION LIMITED ("Lender ")</b>	<b>BORROWERS: NOBLE HOUSE DEVELOPMENT CORPORATION, 2307400 ONTARIO INC. and 2209326 ONTARIO LTD</b>  <b>("Borrowers")</b>
<b>ADVANCE NO:</b>	<b>PROJECT: CONSTRUCTION OF HEATED MINI STORAGE UNITS</b>  <b>("Project")</b>
<b>CERTIFICATE DATE: [Date]</b>	Commitment Letter dated September 19, 2017, as amended from time to time and Commercial Credit Facility Agreement dated October 25, 2017  <b>(collectively the "Loan Agreement")</b>

The Borrower hereby requests an advance of **[insert amount in words]** dollars (\$**[insert amount in numbers]**) for work done on the Project from **[date]** to **[date]** pursuant to the terms of the Loan Agreement between the Lender and the Borrower.

Capitalized terms used and not defined herein shall have the same meaning given to them in the Loan Agreement.

After due investigation and to induce the Lender to make this Project Advance, the Borrower hereby certifies that:

1. The representations and warranties contained in the Loan Agreement, the Commitment Letter or any Security Document for the Facilities are true and accurate in all respects as of the date hereof.
2. No event has occurred, or would result from this advance, which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of the Loan Agreement, the Commitment Letter or any Security Document.
3. The Project has not been damaged by fire or other casualty and no part of the premises has been expropriated and no proceedings therefore are pending.
4. Construction of the Project is progressing satisfactorily and the estimated completion date and cost to complete are as outlined in the Approved Project Architect's report.
5. The estimated Completion Date is **[INSERT DATE]** and the estimated cost to complete is **[INSERT AMOUNT IN WORDS]** Dollars (\$**[INSERT AMOUNT IN NUMBERS]**).



6. The requirements of the *Construction Lien Act*, including, the administration of any holdback accounts, are being met and nothing has occurred subsequent to the date of the Loan Agreement which has resulted or may result in the creation of any lien or legal charge or encumbrance upon the premises or any part thereof or which has or may substantially and adversely impair the ability of the Borrower to make all payments of principal and interest under the Loan Agreement or which has or may substantially and adversely impair the financial standing of any guarantor(s) of the obligations of the Borrower under the Loan Agreement or any Security.

7. The Borrower has not received any stop work orders or any written notice of a lien as such term is defined in the *Construction Lien Act* and will immediately advise the Lender upon receipt of any written notice of a lien.

8. As at the date hereof the Borrower has invested from its own capital, in the Lands and Project in the amount as indicated in the Approved Project Architect's report.

9. Any and all funds received from the Lender previously as Advances under the Loan Agreement have been expended or are being held in trust solely for the purpose for which they were advanced, no item of Project Costs previously certified to the Lender with a request for advance remains unpaid as of the date hereof and no part of said funds has been nor any part of the funds to be received pursuant to this request for a Project Advance shall be used for any other purposes; further, there are no trade or supplier disputes.

10. The summary of Project Costs incurred to date and to complete the Project are set out in Schedule A hereto which are true and accurate.

11. All of the statements contained in this request for advance are true, complete and accurate in all respects as of the date hereof.

12. You are hereby irrevocably authorized and directed to deduct from the gross proceeds of the advance all fees, disbursements and other costs or charges payable by the Borrower pursuant to the Commitment Letter.

Dated at [CITY], Ontario this [DAY] day of

[MONTH], [YEAR]. [BORROWER NAME]

Per: \_\_\_\_\_ Name:  
Title:

Per: \_\_\_\_\_ Name:  
Title:

I/we have the authority to bind the Corporation

**The foregoing is hereby approved and acknowledged by:**

**APPROVED GENERAL CONTRACTOR:**

By: \_\_\_\_\_

Name:

Title:

**APPROVED PROJECT ARCHITECT:**

By: \_\_\_\_\_

Name:

Title:

# EXHIBIT "L"

The applicant(s) hereby applies to the Land Registrar.

Properties

PIN	48880 - 0001	LT	Interest/Estate	Fee Simple
Description	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			
Address	HUNTSVILLE			
PIN	48880 - 0002	LT	Interest/Estate	Fee Simple
Description	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			
Address	HUNTSVILLE			
PIN	48880 - 0003	LT	Interest/Estate	Fee Simple
Description	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			
Address	HUNTSVILLE			
PIN	48880 - 0004	LT	Interest/Estate	Fee Simple
Description	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			
Address	HUNTSVILLE			
PIN	48880 - 0005	LT	Interest/Estate	Fee Simple
Description	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			
Address	HUNTSVILLE			
PIN	48880 - 0006	LT	Interest/Estate	Fee Simple
Description	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			
Address	HUNTSVILLE			
PIN	48880 - 0007	LT	Interest/Estate	Fee Simple
Description	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			
Address	HUNTSVILLE			
PIN	48880 - 0008	LT	Interest/Estate	Fee Simple
Description	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			
Address	HUNTSVILLE			
PIN	48880 - 0009	LT	Interest/Estate	Fee Simple
Description	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			
Address	HUNTSVILLE			
PIN	48880 - 0010	LT	Interest/Estate	Fee Simple
Description	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			
Address	HUNTSVILLE			
PIN	48880 - 0011	LT	Interest/Estate	Fee Simple
Description	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			
Address	HUNTSVILLE			

Properties

PIN	48880 - 0012   LT	Interest/Estate	Fee Simple
Description	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		
Address	HUNTSVILLE		
PIN	48880 - 0013   LT	Interest/Estate	Fee Simple
Description	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		
Address	HUNTSVILLE		
PIN	48880 - 0014   LT	Interest/Estate	Fee Simple
Description	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		
Address	HUNTSVILLE		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name2209326 ONTARIO LTD.

Address for Service75 West Road  
Huntsville, Ontario  
P1H 1T4

I, Ray Jarvis, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Name2307400 ONTARIO INC.

Address for Service101 Main Street East  
Suite 29  
Huntsville, Ontario  
P1H 2C6

I, Ray Jarvis, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)CapacityShare

NamePACE SAVINGS & CREDIT UNION LIMITED

Address for Service8111 Jane Street  
Unit 1  
Vaughan, Ontario  
L4K 4L7

Statements

Schedule: See Schedules

Provisions

Principal	\$ 5,500,000.00	Currency	CDN
Calculation Period	See Schedule		
Balance Due Date	On Demand		
Interest Rate	See Schedule		
Payments			
Interest Adjustment Date			
Payment Date	On Demand		
First Payment Date			
Last Payment Date			
Standard Charge Terms	200033		
Insurance Amount	full insurable value		
Guarantor			

Signed By

Manal Farah	800-150 York St. Toronto M5H 3S5	acting for Chargor(s)	Signed	2017 10 19
Tel     416-364-1553				
Fax     416-364-1453				

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

MACDONALD SAGER MANIS LLP	800-150 York St. Toronto M5H 3S5	2017 10 26
Tel     416-364-1553		
Fax     416-364-1453		

Fees/Taxes/Payment

Statutory Registration Fee	\$63.35
Total Paid	\$63.35

File Number

Chargor Client File Number :	17-1020
Chargee Client File Number :	172718

# EXHIBIT "M"

**Land Registration Reform Act**  
**SET OF STANDARD CHARGE TERMS**  
 (Electronic Filing)

DYE & DURHAM CO. INC.  
 Form No. 300E

Filed by  
**Dye & Durham Co. Inc.**

Filing Date: November 3, 2000

Filing number: 200033

*The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L.4 as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge".*

*Exclusion of  
 Statutory  
 Covenants*

1. The implied covenants deemed to be included in a charge under subsection 7(1) of the *Land Registration Reform Act* as amended or re-enacted are excluded from the Charge.

*Right to  
 Charge the  
 Land*

2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge.

*No Act to  
 Encumber*

3. The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose.

*Good Title in  
 Fee Simple*

4. The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown.

*Promise to  
 Pay and  
 Perform*

5. The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.

*Interest After  
 Default*

6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land.

*No Obligation  
 to Advance*

7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

*Costs Added  
 to Principal*

8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.

*Power of  
 Sale*

9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the *Mortgages Act*. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly



one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

*Quiet Possession*

10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.

*Right to Distrain*

11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

*Further Assurances*

12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whosoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.

*Acceleration of Principal and Interest*

13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.

*Unapproved Sale*

14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.

*Partial Releases*

15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.

*Obligation to Insure*

16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

*Obligation to Repair*

17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

**Building  
Charge**

18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.

**Extensions  
not to  
Prejudice**

19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

**No Merger  
of Covenants**

20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.

**Change in  
Status**

21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.

**Condominium  
Provisions**

22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 16 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.

**Discharge**

23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment shall be paid by the Chargor.

**Guarantee**

24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
  - (b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
  - (c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect

the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.

- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

*Severability*     25. It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then, such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

*Interpretation*     26. In construing these covenants the words "Charge", "Chargee", "Chargor", "land" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

*Paragraph headings*     27. The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

*Date of Charge*     28. The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.

*Effect of Delivery of Charge*     29. The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for registration to do so.

DATED this                      day of                      ,                      (year)

# EXHIBIT "N"



**SCHEDULE OF ADDITIONAL PROVISIONS**  
**FOR ALL COLLATERAL MORTGAGES**

This Charge is given as continuing security for payment to the Chargee of all debts and liabilities, present or future, direct or indirect, absolute or contingent, joint or several, matured or not, at any time owing by the Chargor to the Chargee (such debts and liabilities being hereinafter called the "liabilities"), but the Chargor's liability hereunder being limited to the sum of "the Credit Limit" (being the principal Amount stated on Page 1 of this Charge/Mortgage) with interest at the rate hereinafter set out;

The Chargor covenants to pay each and every liability to the Chargee punctually as the same falls due; provided that this charge is void upon payment on demand of the ultimate balance of the liabilities and all promissory notes, bills of exchange, guarantees and any other instruments whatsoever from time to time representing the liabilities or any part thereof, not exceeding the principal sum of the Credit Limit, together with interest thereon at the rate of 30 per centum per annum as well after as before maturity and both before and after default and all other amounts payable by the Chargor hereunder.

**DUE ON DEFAULT**

In the event of any default by the Chargor, or any other obligor, of any of the obligations and liabilities secured hereunder, the entire principal amount outstanding, and interest and costs pursuant thereto shall, at the option of the Chargee, immediately become due and payable, the Chargor shall be in default hereunder and the Chargee shall be entitled to exercise all of its rights and remedies with respect to this Charge.

**ASSIGNMENT OF RENTS**

The Chargor doth hereby assign, transfer and set over unto the Chargee, its successors and assigns, all rents both present and future payable, for space in the Lands and all benefits accruing from all leases therein to hold and receive the same unto the Chargee, its successors and assigns, until the monies due under and by virtue of the Charge have been fully paid and satisfied. The Chargor hereby declares that any direction or request from the Chargee to pay the rents or other payments to the Chargee shall be sufficient warranty and authority to any lessee to make such payments and such direction or request may be effectively given by sending the same by prepaid, registered post to the lessee at the premises leased by such lessee or by leaving the same at the premises leased by such lessee. The Chargor further covenants and agrees with the Chargee to execute such further assurances as may be required of it by the Chargee in order to effectually assign to the Chargee, the rents and benefits of all leases assigned hereunder.

**APPOINTMENT OF RECEIVER**

Notwithstanding anything herein contained, it is declared and agreed that at any time and from time to time when there shall be an event of default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the land or any part thereof and whether before or after such entry into possession, appoint in writing or apply to a court of competent jurisdiction for the appointment of a receiver or trustee (who may, if the Chargee elects, be an officer or employee of the Chargee and which term, when used herein, shall include a receiver and manager) of the land or any part thereof and of the rents and profits thereof and with or without security, and may from time to time by similar writing or by application to court, as the case may be, remove any such receiver or trustee and appoint another in his place and stead and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of such receiver or trustee.

Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the land or any part thereof, and the Chargor hereby consents to a court order for the appointment of such receiver or trustee. If the Chargee, in its discretion, chooses to obtain such an order, it may be obtained on the terms and for such purposes as the Chargee, at its sole discretion, may require, including, without limitation, the power to manage, mortgage, pledge, lease and/or sell the land and/or complete or partially complete any construction thereon and to receive advances of mortgage and other moneys pursuant to any mortgages, pledges and/or loans entered into by the receiver or trustee or the Chargor.

Upon the appointment of any such receiver or trustee from time to time, the Chargor covenants and agrees that the following provisions shall apply:

- (a) a statutory declaration of an officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (b) every such receiver or trustee shall be the irrevocable agent or attorney of the Chargor (whose appointment, as such, shall be revocable only by the Chargee) for the collection of all rents and other amounts falling due in respect of the land or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto;
- (c) every such receiver or trustee may, in the discretion of the Chargee, be vested with all or any of the powers and discretions of the Chargee including, without limitation, the power to sell the land;
- (d) the Chargee may from time to time fix the remuneration of every such receiver or trustee who shall be entitled to deduct same out of the land or the proceeds thereof;
- (e) every such receiver or trustee shall, so far as concerns responsibility and liability for his acts and omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (f) the appointment of every such receiver or trustee by the Chargee shall not incur or create any liability on the part of the Chargee to the receiver or trustee or to the Chargor or to any other person, firm or corporation in any respect and such appointment or anything which may be done by any such receiver or trustee or the removal of any such receiver or trustee or the termination of any such receivership or trusteeship shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the land or any part thereof;
- (g) the receiver or trustee shall have the power to rent any portion of the land for such term and subject to such provisions as he may deem advisable or expedient, subject to the restrictions on leasing contained in any existing tenancy agreements affecting the land and, in so doing, such receiver or trustee shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any tenancy agreement of any such premises in the name and on behalf of the Chargor, and the Chargor undertakes to ratify and confirm whatever acts such receiver or trustee may do in the land;
- (h) every such receiver or trustee may make such arrangements at such time or times as it may deem necessary without the concurrence of any other persons for the repairing, finishing, adding to or putting in order the land, including, without restricting the generality of the foregoing, for the completion of the construction of any building or buildings or other erections or improvements on the land left by any Chargor in an unfinished state or award the same to others to complete, notwithstanding that the resulting cost exceeds the principal sum hereinbefore set forth, and, in any of such cases, shall have the right to take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances on the land) and property of every kind and description. For the purposes thereof, the receiver or trustee may borrow money on the security of the land and to issue such certificates or charges as may be necessary or desirable to secure such borrowings;
- (i) every such receiver or trustee shall have full power to manage, operate, amend, repair or alter the land and the buildings and improvements thereon or any part thereof in the name of the Chargor for the purpose of obtaining rental and other income from the land or any part thereof,
- (j) no such receiver or trustee shall be liable to the Chargor to account for moneys or damages, other than moneys actually received by him in respect of the land, and out of such moneys so received from time to time, every such receiver or trustee shall pay in the following order:
- (i) his remuneration aforesaid;
  - (ii) all obligations, costs and expenses made or incurred by him, including, but not limited to, any expenditures in connection with the management, operation, amendment, repair, construction or alteration of the land or any part thereof;
  - (iii) interest, principal and other moneys which may from time to time be or become charged upon the land in priority to this Charge and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect of the land or any part thereof;
  - (iv) to the Chargee all interest due or falling due under this Charge and the balance to be applied on account of the Principal Amount and other moneys due and payable to the account of principal amount and other moneys due and payable to the Chargee and, at the option of the Chargee, to prepay the Principal Amount and all other unpaid monies due and owing under this Charge; and

- (v) subject to the above, at the discretion of the receiver or trustee, interest, principal and other moneys which may from time to time constitute a charge or encumbrance on the land subsequent in priority or subordinate to the interest of the Chargee under this Charge,

and that such receiver or trustee shall, in his discretion, retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing and, further, that any surplus remaining in the hands of every such receiver or trustee after payments made and such reasonable reserves retained as aforesaid shall be payable to the Chargor;

- (k) the Chargee may at any time and from time to time terminate any such receivership by notice in writing to the Chargor and to any such receiver or trustee;

- (l) save as to moneys payable to the Chargor as set forth above, the Chargor hereby releases and discharges the Chargee and every such receiver or trustee from every claim of every nature, whether in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under the Chargor by reason or as a result of anything done by the Chargee or any such receiver or trustee under the receivership provisions, unless such claim be the direct and proximate result of bad faith or gross negligence; and

- (m) the Chargor hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required, in the sole discretion of the Chargee and/or its solicitors, so as to give effect to the foregoing provisions, and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the receiver or trustee and/or with respect to the land in the same manner as if such documentation was duly executed by the Chargor himself.

#### **ENVIRONMENTAL CONDITION**

The Chargor is operating and will continue to operate the business in conformity with all environmental legislation and neither the Chargor nor the prior owner of the Property has used it in violation of environmental laws. All future uses of the Property will be in full compliance with relevant environmental laws and any clean-up measures will be in full compliance with all applicable laws at the sole costs of the Chargor. Any breach of the foregoing may constitute an event of default.

#### **HAZARDOUS SUBSTANCES**

THE CHARGOR represents and warrants that:

- (a) it has not caused or permitted, and to the best of its knowledge, information and belief after making due inquiry, no other person has caused or permitted, any Hazardous Substance to be manufactured, refined, traded, transported or transformed to or from, handled, produced, processed, placed, stored, located or disposed of on, under or at the Property;
- (b) it has no knowledge that any owner or occupier of any abutting or neighbouring properties has done any one or more of the matters or things prohibited by subparagraph (a) hereof;
- (c) it and its tenants, invitees and other occupiers of the Property have and will at all times carry out, and to the best of its knowledge, information and belief after making due inquiry, all prior owners and occupiers of the Property have at all times carried out, all business and other activities upon the Property in compliance with all applicable laws intended to protect the environment including, without limitation, laws respecting the discharge, emission, spill or disposal of any Hazardous Substance;
- (d) no order, direction, enforcement action or other governmental or regulatory action or notice, nor any action, suit or proceeding relating to any Hazardous Substance or the environment has been issued or is otherwise threatened or pending with respect to the Property;
- (e) each of the representations and warranties set out herein shall remain true and accurate in all respects until all amounts secured hereunder are paid in full; and
- (f) the Chargee may delay or refuse to make any advance to the Chargor if the Chargee believes that any of the representations and warranties set out herein were not true and accurate when made or at any time thereafter.

THE CHARGOR, acting reasonably, shall permit the Chargee to conduct, at the Chargor's expense, any and all tests, inspections, appraisals and environmental audits of the Property so as to determine and ensure compliance with the provisions of the Charge including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Property or the businesses and other activities conducted thereon at any time and from time to time.

THE CHARGOR agrees to indemnify and save harmless the Chargee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, costs and expenses of any and every nature and kind whatsoever which at any time or from time to time may be paid or incurred by or asserted against any of them as a direct or indirect result of:

- (a) a breach of any of the representations, warranties or covenants hereinbefore set out;
- (b) the presence of any Hazardous Substance in, on or under the Property; or
- (c) the discharge, emission, spill or disposal of any Hazardous Substance from the Property into or upon any land, the atmosphere, any watercourse, body of water or wetland;

and such losses, damages, costs and expenses include, without limitation:

- (a) the costs of defending, counterclaiming or claiming over against one or more third parties in respect of any action or matter; and
- (b) any settlement of any action or proceeding entered into by the Chargee with the consent of the Chargor (which consent shall not be unreasonably withheld);

and the provisions of all representations, warranties, covenants and indemnifications set out herein shall survive the release and discharge of this Charge and any other security held by the Chargee and repayment and satisfaction of the liabilities secured by this Charge. The provisions of this indemnity shall enure to the benefit of the Chargee and its successors and assigns including, without limitation, any assignees of this Charge.

For the purposes of this Charge, "Hazardous Substance" means any hazardous waste or substance, pollutant, contaminant, waste or other substance, whether solid, liquid or gaseous in form, which when released into the natural environment may immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing:

- (a) any such substance as defined or designated under any applicable laws and regulations for the protection of the environment or any living thing;
- (b) asbestos, urea formaldehyde, poly-chlorinated biphenyl (PCB) and materials manufactured with or containing the same; and
- (c) radioactive and unstable toxic substances.

#### **FINANCIAL STATEMENTS**

At the option of the Chargee, the Chargor shall within HUNDRED AND TWENTY (120) days of the end of each fiscal year of the operation of the said Property by the Chargor, furnish to the Chargee an audited annual operating statement prepared at the expense of the Chargor, which statement, notwithstanding the generality of foregoing, shall set forth the gross rents and other revenue derived by the Chargor from the said Property, the costs and expenses of the operation and maintenance of the said Property and such information or explanations in respect of the foregoing as may be required by the Chargee and such statement shall be required to be prepared by a duly qualified Chartered Accountant and/or a Certified Public Accountant suitable to the Chargee and the correctness of such statement shall be duly supported by the Affidavit of an appropriate officer of the Chargor.

#### **PROFESSIONAL MANAGEMENT**

At the option of the Chargee, the management of the said Property shall be continued at all times by the Chargor or by such other professional property management organization as may first be approved in writing by the Chargee and the Property will be maintained in good repair and in a state of good operating efficiency.

#### **CHANGE OF USE**

The Chargor shall not change or permit to be changed the use of the charged premises, without the written consent of the Chargee and at no time shall the lands and premises herein charged be used in a manner that would contravene any laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the charged lands and premises in force from time to time.

#### **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance any monies to the Chargor, nor shall the advance of a part of the monies secured hereby bind the Chargee to advance any unadvanced portion thereof, but



nevertheless the Charge shall take effect forthwith upon the execution of these presents by the said Chargor, and the expenses of underwriting the loan, the examination of the title and of the Charge and its registration are to be secured the Charge in the event of the whole or any balance of the Principal not being advanced, the same to be charged hereby upon the said lands and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies hereunder shall be exercisable.

#### **ADDITIONAL SECURITY**

PROVIDED that the Chargee (in addition to the premises secured hereunder) holds further additional securities on account of the liabilities secured herein, it is understood and agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such additional securities, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such securities or herein. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security or securities in such order or such manner, cumulatively and concurrently and not alternatively, separately, successively or together as it shall in its sole and absolute discretion deem fit, without waiving any rights which the Chargee may have hereunder and with respect to any and all such securities and the exercise of any such powers or remedies from time to time shall not in any way affect the liability of the Chargor hereunder and under the remaining securities. Any judgment or recovery hereunder or under any other security held by the Chargee to secure the liabilities of the Chargor shall not affect the right of the Chargee to realize upon this or any other such security. Unless agreed to the contrary in writing no discharge of any one or more of such securities and the within Charge shall be given until the full and ultimate amount of the Principal, interest and other costs secured hereby has been paid in full.

#### **NO FURTHER ENCUMBRANCES**

The Chargor covenants and agrees that it will not charge or otherwise encumber the charged property or any part thereof or its interest therein without the prior written consent of the Chargee.

#### **INCONSISTENCY OF TERMS**

THE PROVISIONS herein shall be in addition to and not in substitution for those found in the Standard Charge Terms and in the event of any inconsistency between the provisions herein and/or the Commitment and those contained in the said Standard Charge Terms, the Chargee, shall decide, in its sole discretion and at its option, which shall prevail.

#### **VALIDITY OF PROVISIONS**

IF ANY PROVISION of this Charge is held to any extent invalid or unenforceable, the remainder of this Charge, other than the provision, which is held invalid or unenforceable, shall not be affected.

#### **CONSTRUCTION LIENS**

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee, in its sole discretion, considers advisable to protect its position under the provisions of the *Construction Lien Act* (Ontario) (the "Act"), as amended, so as to secure its priority over all liens, until the Chargee is fully satisfied that all lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Act, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the Act. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Act, as amended, from time to time.

#### **CONSTRUCTION LOAN**

Provided that the Chargor and Chargee agree that this Charge secures a credit facility to finance, *inter alia*, construction, improvements, alterations to the Property, the following terms shall apply:

- (a) the Chargor covenants that all installation of services and construction on the Property described herein hereby secured shall be carried out by reputable contractors with sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld.
- (b) that the installation of services and the construction of a single family dwelling on the said Property, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance

with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

- (c) provided that should the servicing and construction on the said Property cease for any reason whatsoever (strikes, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said Property in such manner and on such terms as it deems advisable. The cost of completion of the servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Loan, together with a management fee of a minimum of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.
- (d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.
- (e) all advances which are made from time to time hereunder shall be based on Certificates of the Chargor's agents, prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said Property. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

#### **CONDOMINIUM CLAUSE**

The word "Property" shall have the meaning stated herein and includes a "unit" or "units; as defined in the Condominium Act as amended.

The Chargor shall be equally responsible for seeing that the Condominium Corporation provides insurance in accordance with the provisions of these charge terms as herein set out.

The Property forms part of the property described in a Declaration under the Condominium Act and registered pursuant to the provisions thereof. The expressions "Condominium Corporation" shall mean the corporation created by the registration of the said Declaration.

The Chargor shall:

- a) Pay any and all money due and payable by the Chargor in accordance with the provisions of the Condominium Act or the said Declaration or the said by-law of the by-laws of the corporation from time-to-time on or before the dates for payment thereof and upon demand of the Chargee submit satisfactory proof of payment, including, without limiting to the foregoing, any contribution to the common expenses or in respect of any special assessments required as owner. In the event of default the Chargee, at the option of the Chargee, may pay the same and treat such default as a default of the payment under the terms of the charge.

- b) Comply with and observe all the covenants, provisions, terms, conditions, stipulations, specification, rules and regulations of the Condominium Act and of the said Declaration and of the by-laws of the Corporation and any future by-laws of the Corporation and of any of the said rules and regulations applying to the owners of the said units.

In the event that the government of the Property by the Corporation is terminated or in the event of a sale of the Property or a part of the common elements of the corporation being authorized by a vote of the owners of the said units then, and in any such event, the monies hereby secured shall, at the option of the Chargee, become due and payable, and all the powers given herein secured shall become exercisable notwithstanding any consent given by the Chargee to such termination or sale.

The Chargee may exercise from time-to-time and at any time the right of the Chargor in the name of the Chargor and on behalf of the Chargor, to vote or consent at all times and for all purposes, wherever and whenever the Chargor would have such right of consent to any matter relevant to the management or sale or any dealing with the Property of the Corporation or its assets or the termination of the application of the Condominium Act to the Corporation.

The Chargee from time-to time waive the right to vote or right of consent by giving notice of intention to do so to the Corporation and such waiver may be for an indeterminate period of time until withdrawn or for a limited period of time or for a specific meeting or matter, and while such waiver is in effect the Chargor may exercise the right to vote or to consent.

Notwithstanding the exercise by the Chargee of the right of the Chargor to either vote or consent, such exercise shall not render the Chargee a Chargee in Possession.

The right to vote or to consent conferred upon the Chargee herein does not entail any representation expressed or implied, that the Chargee shall be in any way responsible to protect the interest of the Chargor, and the Chargee shall not be responsible for any exercise of the right to vote or the right to consent or any failure to exercise the right to vote or the right to consent.

# EXHIBIT "O"

**Properties**

<i>PIN</i>	48880 - 0001   LT
<i>Description</i>	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
<i>Address</i>	HUNTSVILLE
<i>PIN</i>	48880 - 0002   LT
<i>Description</i>	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
<i>Address</i>	HUNTSVILLE
<i>PIN</i>	48880 - 0003   LT
<i>Description</i>	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
<i>Address</i>	HUNTSVILLE
<i>PIN</i>	48880 - 0004   LT
<i>Description</i>	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
<i>Address</i>	HUNTSVILLE
<i>PIN</i>	48880 - 0005   LT
<i>Description</i>	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
<i>Address</i>	HUNTSVILLE
<i>PIN</i>	48880 - 0006   LT
<i>Description</i>	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
<i>Address</i>	HUNTSVILLE
<i>PIN</i>	48880 - 0007   LT
<i>Description</i>	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
<i>Address</i>	HUNTSVILLE
<i>PIN</i>	48880 - 0008   LT
<i>Description</i>	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
<i>Address</i>	HUNTSVILLE
<i>PIN</i>	48880 - 0009   LT
<i>Description</i>	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
<i>Address</i>	HUNTSVILLE
<i>PIN</i>	48880 - 0010   LT
<i>Description</i>	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
<i>Address</i>	HUNTSVILLE
<i>PIN</i>	48880 - 0011   LT
<i>Description</i>	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
<i>Address</i>	HUNTSVILLE

Properties

PIN

48880 - 0012   LT

Description

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

Address

HUNTSVILLE

PIN

48880 - 0013   LT

Description

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

Address

HUNTSVILLE

PIN

48880 - 0014   LT

Description

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

Address

HUNTSVILLE

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name

2209326 ONTARIO LTD.

Address for Service

75 West Road  
Huntsville, Ontario  
P1H 1T4

I, Ray Jarvis, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Name

2307400 ONTARIO INC.

Address for Service

101 Main Street East  
Suite 29  
Huntsville, Ontario  
P1H 2C6

I, Ray Jarvis, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Party To(s)

Capacity

Share

Name

PACE SAVINGS & CREDIT UNION LIMITED

Address for Service

8111 Jane Street  
Unit 1  
Vaughan, Ontario  
L4K 4L7

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, MT191216 registered on 2017/10/26 to which this notice relates is deleted

Schedule: See Schedules

*The applicant(s) hereby applies to the Land Registrar.*

**Signed By**

Manal Farah	800-150 York St. Toronto M5H 3S5	acting for Applicant(s)	Signed	2017 10 12
Tel	416-364-1553			
Fax	416-364-1453			

I have the authority to sign and register the document on behalf of all parties to the document.

Manal Farah	800-150 York St. Toronto M5H 3S5	acting for Party To(s)	Signed	2017 10 12
Tel	416-364-1553			
Fax	416-364-1453			

I have the authority to sign and register the document on behalf of all parties to the document.

**Submitted By**

MACDONALD SAGER MANIS LLP	800-150 York St. Toronto M5H 3S5			2017 10 26
Tel	416-364-1553			
Fax	416-364-1453			

**Fees/Taxes/Payment**

Statutory Registration Fee	\$63.35
Total Paid	\$63.35

**File Number**

Applicant Client File Number :	17-1020
Party To Client File Number :	172718

# EXHIBIT "P"





**PACE CREDIT UNION** Well beyond a bank.

## **BUSINESS LOAN GENERAL SECURITY AGREEMENT**

**TO: PACE SAVINGS & CREDIT UNION LIMITED**  
(hereinafter called the "Credit Union")

**FROM: NOBLE HOUSE DEVELOPMENT CORPORATION**  
(hereinafter called the "Debtor")

**29 MAIN STREET, SUITE 101, HUNTSVILLE, ONTARIO P1H 206**  
(Address)

### **1. DEFINITIONS**

In this Agreement,

- (a) "Collateral" means all personal property of any nature whatsoever, both tangible and intangible including, among other things, Inventory, Equipment, Receivables, Accounting Books of Record, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles, Money, Securities and any Accessions thereto now owned or hereafter acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any right, title or interest, except Consumer Goods, and any reference to "Collateral" shall be deemed to be a reference to "Collateral or any part thereof" except where otherwise specifically provided;
- (b) "Obligation" means all of the obligations, liabilities and indebtedness of the Debtor to the Credit Union from time to time, whether present or future, absolute or contingent, liquidated or unliquidated, of whatsoever nature or kind, in any currency or otherwise, including all Obligations, liabilities and indebtedness hereunder;
- (c) "PPSA" means the Personal Property Security Act, 1990 (Ontario), and any Act that may be substituted therefore, as from time to time amended;
- (d) "Proceeds" means any identifiable or traceable personal property in any form derived directly or indirectly from any dealing with property or proceeds therefrom, and includes any payment representing indemnity or compensation for loss or damage to the property or proceeds therefrom;
- (e) "Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Securities", "Money" have the respective meanings given to them in PPSA.

### **2. SECURITY INTEREST**

As security for the payment, performance and satisfaction of the Obligations to the Credit Union, the Debtor hereby grants to the Credit Union by way of security interest, mortgage, pledge, charge, assignment and hypothec a continuing security interest of the Debtor in the Collateral (including all renewals, accretions and substitutions therefore) and all Proceeds of the foregoing.

### **3. REPRESENTATIONS AND WARRANTIES**

The Debtor hereby represents and warrants to the Credit Union that:

- (a) it has the power and capacity to own its properties and assets and to carry on its business as presently carried on by it;
- (b) It has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement;
- (c) except for the security interest granted hereby, the Debtor or any one or more of them is (and as to Collateral to be acquired after the date hereof, shall be) the owner of the Collateral free and clear of all liens, charges, claims, encumbrances, taxes or assessments.

### **4. COVENANTS**

- (a) The Debtor will not sell, offer to sell, transfer, pledge or mortgage the Collateral, nor will the Debtor suffer to exist any other security interest in the Collateral in favour of any person other than the Credit Union, without the prior written consent of the Credit Union. All proceeds of sales shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union.
- (b) The Debtor shall, during the currency of this Agreement, insure and keep insured the Collateral to its full insurable value for fire, theft, and such other risks as the Credit Union may reasonably require, and will, at the request of the Credit Union, pay such further premium as is necessary to obtain an endorsement that the security interest of the Credit Union will not be invalidated by any breach of statutory condition. The proceeds in any insurance held pursuant to this paragraph shall be payable to the Credit Union and any proceeds of such insurance shall, at the option of the Credit Union, be applied to the replacement of the Collateral or towards repayment of any indebtedness of the Debtor or any one or more of them to the Credit Union. Should the Debtor neglect to maintain such insurance the Credit Union may insure, and any premiums paid by the Credit Union together with interest thereon shall be payable by the Debtor to the Credit Union upon demand. The Debtor will deposit a certified copy of such insurance with the Credit Union on request, or obtain an insurance endorsement in favour of the Credit Union.

- (c) The Debtor shall provide from time to time upon request from the Credit Union, written information relating to the Collateral or any part thereof, and the Credit Union shall be entitled from time to time to inspect the tangible collateral including, without limitation, the books and records of the Debtor wherever located. For such purpose the Credit Union shall be access to all places where the Collateral or any part thereof is located and to all premises occupied by the Debtor.
- (d) The Debtor shall carry on and conduct its business in a proper and efficient manner and so as to protect and preserve the Collateral and shall keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for its business and accurate and complete records concerning Collateral, and shall mark any and all such records and Collateral at the Credit Union's request so as to indicate the existence of the security interest.
- (e) The Debtor shall pay all taxes, rates, levies, assessments and other charges of every kind which may be lawfully levied, assessed or imposed against or in respect of it or Collateral as and when the same become due and payable.
- (f) The Debtor shall notify the Credit Union promptly of:
  - (i) any change in the information contained in this Agreement relating to it, its business or the Collateral;
  - (ii) the details of any significant acquisition of Collateral;
  - (iii) the details of any claims or litigation affecting it or the collateral;
  - (iv) any loss of or damage to the Collateral.
- (g) The debtor shall not change its name without giving prior written notice to the Credit Union of the new name and the date upon which such change of name is to take effect.
- (h) The Debtor shall do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things as may be reasonable requested by the Credit Union or with respect to Collateral in order to give effect to this Agreement.
- (i) The Debtor shall not maintain accounts at any other financial institution without the consent of the Credit Union.
- (j) The Debtor may at any time, without the consent of the Credit Union:
  - (i) sell, assign, transfer, exchange, lease, consign or otherwise dispose of inventory in the ordinary course of its business;
  - (ii) sell or otherwise dispose of such part of its equipment which is no longer necessary or useful in connection with its business or which has become worn out or obsolete or unsuitable for the purpose for which hit was intended; and
  - (iii) collect accounts in the ordinary course of its business.

## 5. EVENTS OF DEFAULT

Any or all of the Obligations to the Credit Union shall, at the option of the Credit Union and notwithstanding any time or credit allowed by any instrument evidencing a liability, be immediately due and payable without notice or demand upon the occurrence of any of the following events (hereinafter referred to as "Events(s) of Default"):

- (a) Default in the payment or performance when due or payable of all or any of the Obligations, or of any endorser, guarantor, or surety for any liability of the Debtor or any one or more of them to the Credit Union;
- (b) Default by the debtor in the performance of any of its agreements in this Agreement;
- (c) Proof that any warranty, representation or statement made by the Debtor or furnished to the Credit Union herein, or in the application for any loan, was false in any material respect when made or furnished;
- (d) Any loss, theft, damage or destruction of Collateral or of any part of it, or the making of any levy, seizure or attachment thereto or the appointment of a receiver or any part thereof;
- (e) If the Credit Union should at any time deem itself insecure, bearing in mind the extent of the Obligations secured hereby, the value of the Collateral and any other relevant considerations;
- (f) The death, dissolution, termination of existence, insolvency, business failure, or commencement of any proceedings under any law relating to bankruptcy, insolvency, reorganization or compromise of debts affecting the Debtor or any one or more of them.

## 6. REMEDIES

Upon any Event of Default and at any time thereafter the Credit Union, at its option, may declare that all indebtedness and Obligations secured by this agreement shall immediately become due and payable, and;

- (a) The Credit Union shall then have all rights and remedies of a secured party under the PPSA.

- (b) The Credit Union shall then be constituted to appoint in writing any person to be a receiver (which term shall include a receiver and a manager) of the Collateral, including any rents and profits thereof, and may remove any receiver and appoint another in his stead. Such receiver so appointed shall have power to take possession of the Collateral and to carry on or concur in carrying on the business of the Debtor, and to sell or concur in selling the Collateral or any part thereof. Any such receiver shall for all purposes be deemed to be the agent of the Debtor. The Credit Union may from time to time fix the remuneration of such receiver. All moneys from time to time received by such a receiver shall be paid by him first in discharge of all rents, taxes, rates, insurance premiums and outgoings affecting the Collateral, secondly in payment of his remuneration as receiver, thirdly in keeping in good standing any liens and charges on the Collateral prior to the security constituted by this Agreement, and fourthly in or toward payment of such parts of the indebtedness and liability of the Debtor to the Credit Union as to the Credit Union seems best, and any residue of such moneys so received shall be paid to the Debtor. The Credit Union is appointing or refraining from appointing such receiver shall not incur any liability to the receiver, the Debtor or otherwise.
- (c) The Credit Union may then collect, realize, sell or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions at such time or times, and without notice to the Debtor, as may seem to it advisable. The Credit Union shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Collateral or any part thereof, and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Credit Union, the Debtor or any other person, firm or corporation in respect of the same. All moneys collected or received by the Debtor in respect of the Collateral shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union. All moneys collected or received by the Credit Union in respect of the Collateral may be applied on account of such parts of the indebtedness and liability of the Debtor as to the Credit Union seems best or, in the discretion of the Credit Union, may be released to the Debtor, all without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize this security.
- (d) The Debtor shall remain liable to the Credit Union for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by the Credit Union.
- (e) All rights, powers and remedies of the Credit Union under this Agreement may be exercised separately or in combination and shall be in addition to, and not in substitution for, any other security now or hereafter held by the Credit Union.

## 7. CHARGES AND EXPENSES

The Credit Union may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in or in connection with realizing, disposing of, retaining or collecting the Collateral or any part thereof. Such sums shall be a first charge on the proceeds of realization, disposition or collection. The Credit Union may at its option pay taxes, discharge any encumbrance or charge claimed (whether validly or not) against the Collateral and pay any amount which, in the Credit Union's sole discretion, it may consider requisite to secure possession of the Collateral with or without litigation or compromise. The Credit Union may settle any litigation in respect of the Collateral or the possession thereof, and may pay for insurance, repairs and maintenance to the Collateral, and any sum so paid by the Credit Union shall constitute indebtedness of the Debtor secured hereunder which the Debtor shall repay on demand.

## 8. POSSESSION OF COLLATERAL

Until default, the Debtor may have possession of the Collateral and enjoy the same subject to the terms hereof. However, whether or not default has occurred, the Credit Union may at any time request that debtors on any accounts receivable be notified of the Credit Union's security interest. Until such notification is made, the Debtor shall continue to collect any accounts receivable but shall hold the proceeds received from collection in trust for the Credit Union without commingling the same with other funds, and shall turn the same over to the Credit Union immediately upon receipt in the identical form received.

## 9. LOCATION OF COLLATERAL

The Collateral, insofar as it consists of tangible property, is now and will hereafter be kept at the address listed above or the addresses listed on Schedule A.

## 10. GENERAL

- (a) This Agreement shall be a continuing agreement in every respect;
- (b) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- (c) The Debtor may terminate this Agreement by delivering written notice to the Credit Union at any time when the Debtor, or each of them, is not indebted or liable to the Credit Union. No remedy for the enforcement of the rights of the Credit Union hereunder shall be exclusive of or dependent on any other such remedy and any one or more of such remedies may from time to time be exercised independently or in combination. The security interest created or provided for by this Agreement is intended to attach when this Agreement is signed by the Debtor and delivered to the Credit Union. For greater certainty it is declared that any and all future loans, advances or other value which the Credit Union may in its discretion make or extend to or for the account of the Debtor or any one or more of them shall be secured by this Agreement. If more than one person executes this Agreement their Obligations hereunder shall be joint and several.
- (d) In construing the Agreement, the word "Debtor" and the personal pronouns "he" or "his" and any verb relating thereto shall be read and construed as the number and gender of the parties signing this Agreement may require.

- (e) The Credit Union may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others, and with the Collateral and other securities, as the Credit Union may see fit and without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize this security.

Signed, sealed and delivered, this 24 day of October, 2017  
at Barnie, Ontario.

**NOBLE HOUSE DEVELOPMENT CORPORATION**

Per:   
Authorized Signing Officer RAY JARVIS Title President

Per: \_\_\_\_\_  
Authorized Signing Officer \_\_\_\_\_ Title \_\_\_\_\_

*I have authority to bind the Corporation*

## **GENERAL SECURITY AGREEMENT**

### **SCHEDULE "A"**

The following are the addresses of the locations of the Collateral in addition to the address given on Page One of this original security agreement:

# EXHIBIT "Q"



**BUSINESS LOAN GENERAL SECURITY AGREEMENT**

**TO:** **PACE SAVINGS & CREDIT UNION LIMITED**  
(hereinafter called the "Credit Union")

**FROM:** **2307400 ONTARIO INC.**  
(hereinafter called the "Debtor")

**29 MAIN STREET, SUITE 101, HUNTSVILLE, ONTARIO P1H 206**  
(Address)

**1. DEFINITIONS**

In this Agreement,

- (a) "Collateral" means all personal property of any nature whatsoever, both tangible and intangible including, among other things, Inventory, Equipment, Receivables, Accounting Books of Record, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles, Money, Securities and any Accessions thereto now owned or hereafter acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any right, title or interest, except Consumer Goods, and any reference to "Collateral" shall be deemed to be a reference to "Collateral or any part thereof" except where otherwise specifically provided;
- (b) "Obligation" means all of the obligations, liabilities and indebtedness of the Debtor to the Credit Union from time to time, whether present or future, absolute or contingent, liquidated or unliquidated, of whatsoever nature or kind, in any currency or otherwise, including all Obligations, liabilities and indebtedness hereunder;
- (c) "PPSA" means the Personal Property Security Act, 1990 (Ontario), and any Act that may be substituted therefore, as from time to time amended;
- (d) "Proceeds" means any identifiable or traceable personal property in any form derived directly or indirectly from any dealing with property or proceeds therefrom, and includes any payment representing indemnity or compensation for loss or damage to the property or proceeds therefrom;
- (e) "Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Securities", "Money" have the respective meanings given to them in PPSA.

**2. SECURITY INTEREST**

As security for the payment, performance and satisfaction of the Obligations to the Credit Union, the Debtor hereby grants to the Credit Union by way of security interest, mortgage, pledge, charge, assignment and hypothec a continuing security interest of the Debtor in the Collateral (including all renewals, accretions and substitutions therefore) and all Proceeds of the foregoing.

**3. REPRESENTATIONS AND WARRANTIES**

The Debtor hereby represents and warrants to the Credit Union that:

- (a) it has the power and capacity to own its properties and assets and to carry on its business as presently carried on by it;
- (b) It has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement;
- (c) except for the security interest granted hereby, the Debtor or any one or more of them is (and as to Collateral to be acquired after the date hereof, shall be) the owner of the Collateral free and clear of all liens, charges, claims, encumbrances, taxes or assessments.

**4. COVENANTS**

- (a) The Debtor will not sell, offer to sell, transfer, pledge or mortgage the Collateral, nor will the Debtor suffer to exist any other security interest in the Collateral in favour of any person other than the Credit Union, without the prior written consent of the Credit Union. All proceeds of sales shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union.
- (b) The Debtor shall, during the currency of this Agreement, insure and keep insured the Collateral to its full insurable value for fire, theft, and such other risks as the Credit Union may reasonably require, and will, at the request of the Credit Union, pay such further premium as is necessary to obtain an endorsement that the security interest of the Credit Union will not be invalidated by any breach of statutory condition. The proceeds in any insurance held pursuant to this paragraph shall be payable to the Credit Union and any proceeds of such insurance shall, at the option of the Credit Union, be applied to the replacement of the Collateral or towards repayment of any indebtedness of the Debtor or any one or more of them to the Credit Union. Should the Debtor neglect to maintain such insurance the Credit Union may insure, and any premiums paid by the Credit Union together with interest thereon shall be payable by the Debtor to the Credit Union upon demand. The Debtor will deposit a certified copy of such insurance with the Credit Union on request, or obtain an insurance endorsement in favour of the Credit Union.

- (c) The Debtor shall provide from time to time upon request from the Credit Union, written information relating to the Collateral or any part thereof, and the Credit Union shall be entitled from time to time to inspect the tangible collateral including, without limitation, the books and records of the Debtor wherever located. For such purpose the Credit Union shall be access to all places where the Collateral or any part thereof is located and to all premises occupied by the Debtor.
- (d) The Debtor shall carry on and conduct its business in a proper and efficient manner and so as to protect and preserve the Collateral and shall keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for its business and accurate and complete records concerning Collateral, and shall mark any and all such records and Collateral at the Credit Union's request so as to indicate the existence of the security interest.
- (e) The Debtor shall pay all taxes, rates, levies, assessments and other charges of every kind which may be lawfully levied, assessed or imposed against or in respect of it or Collateral as and when the same become due and payable.
- (f) The Debtor shall notify the Credit Union promptly of:
  - (i) any change in the information contained in this Agreement relating to it, its business or the Collateral;
  - (ii) the details of any significant acquisition of Collateral;
  - (iii) the details of any claims or litigation affecting it or the collateral;
  - (iv) any loss of or damage to the Collateral.
- (g) The debtor shall not change its name without giving prior written notice to the Credit Union of the new name and the date upon which such change of name is to take effect.
- (h) The Debtor shall do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things as may be reasonable requested by the Credit Union or with respect to Collateral in order to give effect to this Agreement.
- (i) The Debtor shall not maintain accounts at any other financial institution without the consent of the Credit Union.
- (j) The Debtor may at any time, without the consent of the Credit Union:
  - (i) sell, assign, transfer, exchange, lease, consign or otherwise dispose of inventory in the ordinary course of its business;
  - (ii) sell or otherwise dispose of such part of its equipment which is no longer necessary or useful in connection with its business or which has become worn out or obsolete or unsuitable for the purpose for which hit was intended; and
  - (iii) collect accounts in the ordinary course of its business.

## 5. EVENTS OF DEFAULT

Any or all of the Obligations to the Credit Union shall, at the option of the Credit Union and notwithstanding any time or credit allowed by any instrument evidencing a liability, be immediately due and payable without notice or demand upon the occurrence of any of the following events (hereinafter referred to as "Events(s) of Default"):

- (a) Default in the payment or performance when due or payable of all or any of the Obligations, or of any endorser, guarantor, or surety for any liability of the Debtor or any one or more of them to the Credit Union;
- (b) Default by the debtor in the performance of any of its agreements in this Agreement;
- (c) Proof that any warranty, representation or statement made by the Debtor or furnished to the Credit Union herein, or in the application for any loan, was false in any material respect when made or furnished;
- (d) Any loss, theft, damage or destruction of Collateral or of any part of it, or the making of any levy, seizure or attachment thereto or the appointment of a receiver or any part thereof;
- (e) If the Credit Union should at any time deem itself insecure, bearing in mind the extent of the Obligations secured hereby, the value of the Collateral and any other relevant considerations;
- (f) The death, dissolution, termination of existence, insolvency, business failure, or commencement of any proceedings under any law relating to bankruptcy, insolvency, reorganization or compromise of debts affecting the Debtor or any one or more of them.

## 6. REMEDIES

Upon any Event of Default and at any time thereafter the Credit Union, at its option, may declare that all indebtedness and Obligations secured by this agreement shall immediately become due and payable, and;

- (a) The Credit Union shall then have all rights and remedies of a secured party under the PPSA.



- (b) The Credit Union shall then be constituted to appoint in writing any person to be a receiver (which term shall include a receiver and a manager) of the Collateral, including any rents and profits thereof, and may remove any receiver and appoint another in his stead. Such receiver so appointed shall have power to take possession of the Collateral and to carry on or concur in carrying on the business of the Debtor, and to sell or concur in selling the Collateral or any part thereof. Any such receiver shall for all purposes be deemed to be the agent of the Debtor. The Credit Union may from time to time fix the remuneration of such receiver. All moneys from time to time received by such a receiver shall be paid by him first in discharge of all rents, taxes, rates, insurance premiums and outgoings affecting the Collateral, secondly in payment of his remuneration as receiver, thirdly in keeping in good standing any liens and charges on the Collateral prior to the security constituted by this Agreement, and fourthly in or toward payment of such parts of the indebtedness and liability of the Debtor to the Credit Union as to the Credit Union seems best, and any residue of such moneys so received shall be paid to the Debtor. The Credit Union is appointing or refraining from appointing such receiver shall not incur any liability to the receiver, the Debtor or otherwise.
- (c) The Credit Union may then collect, realize, sell or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions at such time or times, and without notice to the Debtor, as may seem to it advisable. The Credit Union shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Collateral or any part thereof, and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Credit Union, the Debtor or any other person, firm or corporation in respect of the same. All moneys collected or received by the Debtor in respect of the Collateral shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union. All moneys collected or received by the Credit Union in respect of the Collateral may be applied on account of such parts of the indebtedness and liability of the Debtor as to the Credit Union seems best or, in the discretion of the Credit Union, may be released to the Debtor, all without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize this security.
- (d) The Debtor shall remain liable to the Credit Union for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by the Credit Union.
- (e) All rights, powers and remedies of the Credit Union under this Agreement may be exercised separately or in combination and shall be in addition to, and not in substitution for, any other security now or hereafter held by the Credit Union.

## 7. CHARGES AND EXPENSES

The Credit Union may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in or in connection with realizing, disposing of, retaining or collecting the Collateral or any part thereof. Such sums shall be a first charge on the proceeds of realization, disposition or collection. The Credit Union may at its option pay taxes, discharge any encumbrance or charge claimed (whether validly or not) against the Collateral and pay any amount which, in the Credit Union's sole discretion, it may consider requisite to secure possession of the Collateral with or without litigation or compromise. The Credit Union may settle any litigation in respect of the Collateral or the possession thereof, and may pay for insurance, repairs and maintenance to the Collateral, and any sum so paid by the Credit Union shall constitute indebtedness of the Debtor secured hereunder which the Debtor shall repay on demand.

## 8. POSSESSION OF COLLATERAL

Until default, the Debtor may have possession of the Collateral and enjoy the same subject to the terms hereof. However, whether or not default has occurred, the Credit Union may at any time request that debtors on any accounts receivable be notified of the Credit Union's security interest. Until such notification is made, the Debtor shall continue to collect any accounts receivable but shall hold the proceeds received from collection in trust for the Credit Union without commingling the same with other funds, and shall turn the same over to the Credit Union immediately upon receipt in the identical form received.

## 9. LOCATION OF COLLATERAL

The Collateral, insofar as it consists of tangible property, is now and will hereafter be kept at the address listed above or the addresses listed on Schedule A.

## 10. GENERAL

- (a) This Agreement shall be a continuing agreement in every respect;
- (b) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- (c) The Debtor may terminate this Agreement by delivering written notice to the Credit Union at any time when the Debtor, or each of them, is not indebted or liable to the Credit Union. No remedy for the enforcement of the rights of the Credit Union hereunder shall be exclusive of or dependent on any other such remedy and any one or more of such remedies may from time to time be exercised independently or in combination. The security interest created or provided for by this Agreement is intended to attach when this Agreement is signed by the Debtor and delivered to the Credit Union. For greater certainty it is declared that any and all future loans, advances or other value which the Credit Union may in its discretion make or extend to or for the account of the Debtor or any one or more of them shall be secured by this Agreement. If more than one person executes this Agreement their obligations hereunder shall be joint and several.
- (d) In construing the Agreement, the word "Debtor" and the personal pronouns "he" or "his" and any verb relating thereto shall be read and construed as the number and gender of the parties signing this Agreement may require.

(e) The Credit Union may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others, and with the Collateral and other securities, as the Credit Union may see fit and without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize this security.

Signed, sealed and delivered, this 24th day of October, 2017  
at Barrie, Ontario.

2307400 ONTARIO INC.

Per:   
Authorized Signing Officer RAY JARVIS Title President

Per: \_\_\_\_\_  
Authorized Signing Officer \_\_\_\_\_ Title \_\_\_\_\_

I have authority to bind  
the Corporation

## **GENERAL SECURITY AGREEMENT**

### **SCHEDULE "A"**

The following are the addresses of the locations of the Collateral in addition to the address given on Page One of this original security agreement:

# EXHIBIT "R"



**BUSINESS LOAN GENERAL SECURITY AGREEMENT**

**TO: PACE SAVINGS & CREDIT UNION LIMITED**  
(hereinafter called the "Credit Union")

**FROM: 2209326 ONTARIO LTD.**  
(hereinafter called the "Debtor")

**29 MAIN STREET, SUITE 101, HUNTSVILLE, ONTARIO P1H 206**  
(Address)

**1. DEFINITIONS**

In this Agreement,

- (a) "Collateral" means all personal property of any nature whatsoever, both tangible and intangible including, among other things, Inventory, Equipment, Receivables, Accounting Books of Record, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles, Money, Securities and any Accessions thereto now owned or hereafter acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any right, title or interest, except Consumer Goods, and any reference to "Collateral" shall be deemed to be a reference to "Collateral or any part thereof" except where otherwise specifically provided;
- (b) "Obligation" means all of the obligations, liabilities and indebtedness of the Debtor to the Credit Union from time to time, whether present or future, absolute or contingent, liquidated or unliquidated, of whatsoever nature or kind, in any currency or otherwise, including all Obligations, liabilities and indebtedness hereunder;
- (c) "PPSA" means the Personal Property Security Act, 1990 (Ontario), and any Act that may be substituted therefore, as from time to time amended;
- (d) "Proceeds" means any identifiable or traceable personal property in any form derived directly or indirectly from any dealing with property or proceeds therefrom, and includes any payment representing indemnity or compensation for loss or damage to the property or proceeds therefrom;
- (e) "Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Securities", "Money" have the respective meanings given to them in PPSA.

**2. SECURITY INTEREST**

As security for the payment, performance and satisfaction of the Obligations to the Credit Union, the Debtor hereby grants to the Credit Union by way of security interest, mortgage, pledge, charge, assignment and hypothec a continuing security interest of the Debtor in the Collateral (including all renewals, accretions and substitutions therefore) and all Proceeds of the foregoing.

**3. REPRESENTATIONS AND WARRANTIES**

The Debtor hereby represents and warrants to the Credit Union that:

- (a) it has the power and capacity to own its properties and assets and to carry on its business as presently carried on by it;
- (b) It has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement;
- (c) except for the security interest granted hereby, the Debtor or any one or more of them is (and as to Collateral to be acquired after the date hereof, shall be) the owner of the Collateral free and clear of all liens, charges, claims, encumbrances, taxes or assessments.

**4. COVENANTS**

- (a) The Debtor will not sell, offer to sell, transfer, pledge or mortgage the Collateral, nor will the Debtor suffer to exist any other security interest in the Collateral in favour of any person other than the Credit Union, without the prior written consent of the Credit Union. All proceeds of sales shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union.
- (b) The Debtor shall, during the currency of this Agreement, insure and keep insured the Collateral to its full insurable value for fire, theft, and such other risks as the Credit Union may reasonably require, and will, at the request of the Credit Union, pay such further premium as is necessary to obtain an endorsement that the security interest of the Credit Union will not be invalidated by any breach of statutory condition. The proceeds in any insurance held pursuant to this paragraph shall be payable to the Credit Union and any proceeds of such insurance shall, at the option of the Credit Union, be applied to the replacement of the Collateral or towards repayment of any indebtedness of the Debtor or any one or more of them to the Credit Union. Should the Debtor neglect to maintain such insurance the Credit Union may insure, and any premiums paid by the Credit Union together with interest thereon shall be payable by the Debtor to the Credit Union upon demand. The Debtor will deposit a certified copy of such insurance with the Credit Union on request, or obtain an insurance endorsement in favour of the Credit Union.

- (c) The Debtor shall provide from time to time upon request from the Credit Union, written information relating to the Collateral or any part thereof, and the Credit Union shall be entitled from time to time to inspect the tangible collateral including, without limitation, the books and records of the Debtor wherever located. For such purpose the Credit Union shall be access to all places where the Collateral or any part thereof is located and to all premises occupied by the Debtor.
- (d) The Debtor shall carry on and conduct its business in a proper and efficient manner and so as to protect and preserve the Collateral and shall keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for its business and accurate and complete records concerning Collateral, and shall mark any and all such records and Collateral at the Credit Union's request so as to indicate the existence of the security interest.
- (e) The Debtor shall pay all taxes, rates, levies, assessments and other charges of every kind which may be lawfully levied, assessed or imposed against or in respect of it or Collateral as and when the same become due and payable.
- (f) The Debtor shall notify the Credit Union promptly of:
  - (i) any change in the information contained in this Agreement relating to it, its business or the Collateral;
  - (ii) the details of any significant acquisition of Collateral;
  - (iii) the details of any claims or litigation affecting it or the collateral;
  - (iv) any loss of or damage to the Collateral.
- (g) The debtor shall not change its name without giving prior written notice to the Credit Union of the new name and the date upon which such change of name is to take effect.
- (h) The Debtor shall do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things as may be reasonable requested by the Credit Union or with respect to Collateral in order to give effect to this Agreement.
- (i) The Debtor shall not maintain accounts at any other financial institution without the consent of the Credit Union.
- (j) The Debtor may at any time, without the consent of the Credit Union:
  - (i) sell, assign, transfer, exchange, lease, consign or otherwise dispose of inventory in the ordinary course of its business;
  - (ii) sell or otherwise dispose of such part of its equipment which is no longer necessary or useful in connection with its business or which has become worn out or obsolete or unsuitable for the purpose for which hit was intended; and
  - (iii) collect accounts in the ordinary course of its business.

## 5. EVENTS OF DEFAULT

Any or all of the Obligations to the Credit Union shall, at the option of the Credit Union and notwithstanding any time or credit allowed by any instrument evidencing a liability, be immediately due and payable without notice or demand upon the occurrence of any of the following events (hereinafter referred to as "Events(s) of Default"):

- (a) Default in the payment or performance when due or payable of all or any of the Obligations, or of any endorser, guarantor, or surety for any liability of the Debtor or any one or more of them to the Credit Union;
- (b) Default by the debtor in the performance of any of its agreements in this Agreement;
- (c) Proof that any warranty, representation or statement made by the Debtor or furnished to the Credit Union herein, or in the application for any loan, was false in any material respect when made or furnished;
- (d) Any loss, theft, damage or destruction of Collateral or of any part of it, or the making of any levy, seizure or attachment thereto or the appointment of a receiver or any part thereof;
- (e) If the Credit Union should at any time deem itself insecure, bearing in mind the extent of the Obligations secured hereby, the value of the Collateral and any other relevant considerations;
- (f) The death, dissolution, termination of existence, insolvency, business failure, or commencement of any proceedings under any law relating to bankruptcy, insolvency, reorganization or compromise of debts affecting the Debtor or any one or more of them.

## 6. REMEDIES

Upon any Event of Default and at any time thereafter the Credit Union, at its option, may declare that all indebtedness and Obligations secured by this agreement shall immediately become due and payable, and;

- (a) The Credit Union shall then have all rights and remedies of a secured party under the PPSA.

- (b) The Credit Union shall then be constituted to appoint in writing any person to be a receiver (which term shall include a receiver and a manager) of the Collateral, including any rents and profits thereof, and may remove any receiver and appoint another in his stead. Such receiver so appointed shall have power to take possession of the Collateral and to carry on or concur in carrying on the business of the Debtor, and to sell or concur in selling the Collateral or any part thereof. Any such receiver shall for all purposes be deemed to be the agent of the Debtor. The Credit Union may from time to time fix the remuneration of such receiver. All moneys from time to time received by such a receiver shall be paid by him first in discharge of all rents, taxes, rates, insurance premiums and outgoings affecting the Collateral, secondly in payment of his remuneration as receiver, thirdly in keeping in good standing any liens and charges on the Collateral prior to the security constituted by this Agreement, and fourthly in or toward payment of such parts of the indebtedness and liability of the Debtor to the Credit Union as to the Credit Union seems best, and any residue of such moneys so received shall be paid to the Debtor. The Credit Union is appointing or refraining from appointing such receiver shall not incur any liability to the receiver, the Debtor or otherwise.
- (c) The Credit Union may then collect, realize, sell or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions at such time or times, and without notice to the Debtor, as may seem to it advisable. The Credit Union shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Collateral or any part thereof, and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Credit Union, the Debtor or any other person, firm or corporation in respect of the same. All moneys collected or received by the Debtor in respect of the Collateral shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union. All moneys collected or received by the Credit Union in respect of the Collateral may be applied on account of such parts of the indebtedness and liability of the Debtor as to the Credit Union seems best or, in the discretion of the Credit Union, may be released to the Debtor, all without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize this security.
- (d) The Debtor shall remain liable to the Credit Union for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by the Credit Union.
- (e) All rights, powers and remedies of the Credit Union under this Agreement may be exercised separately or in combination and shall be in addition to, and not in substitution for, any other security now or hereafter held by the Credit Union.

## 7. CHARGES AND EXPENSES

The Credit Union may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in or in connection with realizing, disposing of, retaining or collecting the Collateral or any part thereof. Such sums shall be a first charge on the proceeds of realization, disposition or collection. The Credit Union may at its option pay taxes, discharge any encumbrance or charge claimed (whether validly or not) against the Collateral and pay any amount which, in the Credit Union's sole discretion, it may consider requisite to secure possession of the Collateral with or without litigation or compromise. The Credit Union may settle any litigation in respect of the Collateral or the possession thereof, and may pay for insurance, repairs and maintenance to the Collateral, and any sum so paid by the Credit Union shall constitute indebtedness of the Debtor secured hereunder which the Debtor shall repay on demand.

## 8. POSSESSION OF COLLATERAL

Until default, the Debtor may have possession of the Collateral and enjoy the same subject to the terms hereof. However, whether or not default has occurred, the Credit Union may at any time request that debtors on any accounts receivable be notified of the Credit Union's security interest. Until such notification is made, the Debtor shall continue to collect any accounts receivable but shall hold the proceeds received from collection in trust for the Credit Union without commingling the same with other funds, and shall turn the same over to the Credit Union immediately upon receipt in the identical form received.

## 9. LOCATION OF COLLATERAL

The Collateral, insofar as it consists of tangible property, is now and will hereafter be kept at the address listed above or the addresses listed on Schedule A.

## 10. GENERAL

- (a) This Agreement shall be a continuing agreement in every respect;
- (b) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- (c) The Debtor may terminate this Agreement by delivering written notice to the Credit Union at any time when the Debtor, or each of them, is not indebted or liable to the Credit Union. No remedy for the enforcement of the rights of the Credit Union hereunder shall be exclusive of or dependent on any other such remedy and any one or more of such remedies may from time to time be exercised independently or in combination. The security interest created or provided for by this Agreement is intended to attach when this Agreement is signed by the Debtor and delivered to the Credit Union. For greater certainty it is declared that any and all future loans, advances or other value which the Credit Union may in its discretion make or extend to or for the account of the Debtor or any one or more of them shall be secured by this Agreement. If more than one person executes this Agreement their Obligations hereunder shall be joint and several.
- (d) In construing the Agreement, the word "Debtor" and the personal pronouns "he" or "his" and any verb relating thereto shall be read and construed as the number and gender of the parties signing this Agreement may require.

(e) The Credit Union may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others, and with the Collateral and other securities, as the Credit Union may see fit and without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize this security.

Signed, sealed and delivered, this 24th day of October, 2017  
at Burnie, Ontario.

2209326 ONTARIO LTD.

Per:   
Authorized Signing Officer RAY JARVIS Title President

Per: \_\_\_\_\_  
Authorized Signing Officer \_\_\_\_\_ Title \_\_\_\_\_

I have authority to bind the  
Corporation



## **GENERAL SECURITY AGREEMENT**

### **SCHEDULE "A"**

The following are the addresses of the locations of the Collateral in addition to the address given on Page One of this original security agreement:

# EXHIBIT "S"

## ASSIGNMENT OF MATERIAL CONTRACTS

THIS AGREEMENT made the 24th day of October, 2017,

BY:

**NOBLE HOUSE DEVELOPMENT  
CORPORATION, 2307400 ONTARIO INC.  
and 2209326 ONTARIO LTD.**  
(hereinafter collectively called the "Assignor")

IN FAVOUR OF:

**PACE SAVINGS & CREDIT UNION LIMITED**  
(hereinafter called the "Lender")

WHEREAS the Lender has agreed to extend a loan or establish one or more credit facilities (collectively the "Loan") in favour of Noble House Development Corporation, 2307400 Ontario Inc. and 2209326 Ontario Ltd. on the terms and subject to the conditions set out in a letter of commitment dated September 19, 2017, as amended, issued by the Lender with respect to the Loan (the "Commitment");

AND WHEREAS as security for amounts owing to the Lender on account of the Loan, the Assignor agreed, among other things, to execute and deliver this agreement in favour of the Lender;

NOW THEREFORE, in consideration of the Lender extending credit and making or agreeing to make one or more advances of the Loan and for other good and valuable consideration, the Assignor covenants with the Lender as follows:

### ARTICLE I - DEFINITIONS

1.1 **Definitions:** Capitalized terms used in this Agreement have the respective meanings ascribed thereto in this section:

- (a) "Act" means the *Personal Property Security Act* (Ontario);
- (b) "Collateral" means all Construction Agreements, Contracts, Insurance Policies, Permits, Plans and Specifications and Warranties and Guarantees with respect to the Project, including, without limitation, any amendments, extensions, renewals and replacements which have been or may hereafter be made to any of them, all proceeds therefrom, all benefits and advantages which now or hereafter may be derived therefrom, all debts, demands, choses-in-action and claims which now or hereafter may become due, owing or accruing due to or on behalf of the Assignor therefrom and all books, accounts, invoices, letters, papers, drawings, blue prints, documents, records and data (including hard and soft copies thereof and all forms of magnetic, electronic and other means data storage) in any way evidencing or relating thereto;
- (c) "Construction Agreements" means all present and future construction contracts and subcontracts entered into by or on behalf of the Assignor for the supply of construction services or materials to the Project including, without limitation, all agreements, invoices and other writings related thereto, together with all bonds, guarantees, letters of credit and/or other security issued with respect to the performance of such Construction Agreements and the supply of all work, labour and materials thereunder;
- (d) "Contracts" means all present and future material contracts, other than the Construction Agreements, entered into by or on behalf of the Assignor for the design, development, servicing and management of the Project, including, without limitation, any cost sharing agreements and any nominee, trust or agency agreements or indentures with respect to the legal and/or beneficial ownership of the Project, together with all options, rights, privileges and/or advantages contained in any such Contracts;
- (e) "Default" means an event described as an "Event of Default" or as a "Default" in this Agreement or in any of the Loan Documents;

- (f) **"Dispute"** means any dispute, claim, action or demand, whether now in existence or hereafter arising, in connection with or relating to the Collateral, or to any part thereof;
- (g) **"Indebtedness"** means all present and future debts and liabilities due or to become due, absolute or contingent, direct or indirect, now existing or hereafter arising owing by the Assignor (or if more than one Assignor, by any one or more of them) to the Lender relating to the Loan, whether pursuant to the Loan Documents or otherwise and includes any extensions, renewals or replacements thereof and includes the Loan;
- (h) **"Insurance Policies"** means all present and future builder's risk, hazard, damage, rental or business income loss and public liability policies and all other forms of insurance required by the Commitment or the Lender from time to time, whether now in existence or hereafter arising and relating to the Project;
- (i) **"Lands"** means the lands and premises described in Schedule "A" annexed hereto;
- (j) **"Loan Documents"** means all agreements, instruments and other documents made or assigned by the Assignor (or, if there is more than one Assignor, by any one or more of them) or by any other party in favour of the Lender in connection with the Loan and includes the Collateral and any letter of commitment or loan agreement relating thereto, as same may be amended from time to time;
- (k) **"Permits"** means all present and future approvals, licences, demolition permits, excavation permits, foundation permits, building permits, construction permits and other permits now or hereafter issued or required to be issued by any public or governmental authority in order to permit the construction of the improvements contemplated by the Plans and Specifications upon the Lands;
- (l) **"Person"** includes an individual, sole proprietorship, partnership, joint venture, syndicate, association, trust, body corporate, a natural person in his capacity as trustee, personal representative or other legal representative, the Crown or any agency or instrumentality thereof, and/or any other entity recognized by law.
- (m) **"Plans and Specifications"** means all plans, specifications and drawings for the improvements to be constructed upon the Lands;
- (n) **"Project"** means the Lands and all improvements now or hereafter constructed on or made to the Lands; and,
- (o) **"Warranties and Guarantees"** means all warranties and guarantees relating to work, labour and materials supplied to the Project pursuant to Construction Agreements or otherwise.

## **ARTICLE II - ASSIGNMENT AND ATTACHMENT**

2.1 **Assignment:** As continuing security for the payment of the Indebtedness and the performance, fulfilment and satisfaction of all covenants, obligations and conditions on the part of the Assignor set out herein or set out in the Loan Documents, the Assignor assigns and transfers to and in favour of the Lender all its rights, title and interest in and to, and all claims of every nature or kind which the Assignor now or hereafter may have, under or pursuant to, the Collateral and the Assignor also grants to and in favour of the Lender a security interest in the Collateral.

2.2 **Attachment:** The Assignor and the Lender confirm that they have not postponed or agreed to postpone the time for attachment of the security interests constituted by this Agreement and that the Assignor has received value.

## **ARTICLE III - ACKNOWLEDGEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS**

3.01 **Burdens Not Assigned:** The Assignor expressly acknowledges and agrees that all liabilities, obligations and other burdens of the Collateral are reserved exclusively to the Assignor and are not included in the property and assets that are assigned, transferred and otherwise encumbered to or in favour of the Lender.

3.02 **Further Acknowledgement of Assignor:** The Assignor acknowledges that neither this Agreement nor the assignment set out herein:

- (a) shall in any way lessen or relieve the Assignor from its obligations to perform, fulfill and satisfy its covenants, obligations and all other provisions set out in the Collateral or any part thereof;
- (b) imposes any obligation on the Lender to assume any obligation under, or to perform, fulfill or satisfy any covenant, obligation or other provision set out in, the Collateral or any part thereof; and,
- (c) imposes any liability on the Lender for any act or omission on its part in connection with this Agreement, the assignment constituted hereby, the Collateral or any part thereof.

3.03

**Positive Covenants of Assignor:** The Assignor covenants and agrees:

- (a) to perform, fulfill and satisfy all covenants, obligations and all other provisions set out in the Collateral or any part thereof;
- (b) to deliver to the Lender a copy of all written notices, demands or requests given in connection with the Collateral or any part thereof that are received by the Assignor, forthwith upon receipt of same and that are delivered by the Assignor, contemporaneously with the delivery of same;
- (c) to indemnify and save the Lender harmless from and against any losses, damages, costs and expenses (including legal fees and disbursements on a full indemnity basis) suffered or incurred by the Lender in connection with, on account of or by reason of:
  - (i) the assignment to the Lender of the Collateral and any obligation of the Lender resulting therefrom to perform, fulfill or satisfy any covenant, obligation or other provision set out in the Collateral or any part thereof;
  - (ii) any failure of the Assignor to observe, perform or satisfy its covenants, obligations and all other provisions set out in this Agreement or set out in the Collateral or any part thereof; and,
  - (iii) the enforcement by the Lender of the assignment constituted by this Agreement;
- (d) to notify the Lender in writing as soon as the Assignor becomes aware of any Dispute, in respect of the Collateral or of any breach or default by the Assignor or any other Person in the performance or satisfaction of any of the covenants, obligations or other provisions set out in the Collateral or any part thereof;
- (e) to obtain such consents from third parties as may be necessary or required in connection with the assignments constituted by this Agreement and, in addition, such other consents from third parties as the Lender may require or desire; and
- (f) that it will pay to the Lender upon demand all costs, fees and expenses including, without limitation, all legal fees and disbursements on a full indemnity basis, incurred by or on behalf of the Lender in connection with or arising out of or from this Agreement including, without limitation, any one or more of the following:
  - (i) any act done or taken by or on behalf of the Lender, or any proceeding instituted by or on behalf of the Lender, the Assignor or any other Person, in connection with or in any way relating to any one or more of this Agreement or any part thereof, the preservation, protection, enforcement or realization of the Collateral or any part thereof, the recovery of the Indebtedness or any part thereof and responding to enquiries regarding the scope of the security interest perfected by the registration of a financing statement under the Act; and,
  - (ii) all amounts incurred or paid by the Lender pursuant to Section 4.01 hereof;

together with interest thereon from the date of the incurring of such expenses at the highest rate provided for in any of the Loan Documents. Whether any action or any

judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Lender under this subsection shall be added to the Indebtedness; and,

- (g) to furnish to the Lender in writing all information requested by the Lender relating to the Collateral or any part thereof.

3.4 **Negative Covenants of Assignor:** The Assignor covenants and agrees that it shall not:

- (a) sell, assign, transfer, dispose of, collect, receive or accept any of the Collateral or any part thereof nor do, nor permit to be done, any act or thing whereby the Lender may be prevented or hindered from so doing;
- (b) pledge, charge, mortgage, hypothecate, create a security interest in or otherwise encumber the Collateral or any part thereof;
- (c) cancel or terminate any of the Collateral or any part thereof;
- (d) waive, amend, modify or vary any of the covenants, obligations and other provisions set out in the Collateral or any part thereof or otherwise agree or consent to any waiver, amendment, modification or variation of any of them, whether by way of collateral agreement or otherwise;
- (e) waive or agree to waive any failure of any contractor or subcontractor under any of the Construction Agreements or any other Person to perform, fulfill or satisfy any of the covenants, obligations and other provisions set out in the Collateral or any part thereof;
- (f) give any consent or approval contemplated by, or required or permitted to be given pursuant to, the Collateral or any part thereof; or
- (g) settle or resolve any Dispute.

3.5 **Representations and Warranties of Assignor:** The Assignor represents and warrants to the Lender, and so long as any of the Indebtedness remains outstanding shall be deemed to continuously represent and warrant to the Lender, as follows:

- (a) the Collateral and every part thereof is in good standing and in full force and effect and each of the parties to the Construction Agreements and Contracts is in good standing under the Construction Agreements and Contracts to which it is a party;
- (b) the Assignor has good, valid and legal right to absolutely assign and transfer to the Lender the Collateral, free and clear of all assignments, mortgages, charges, pledges, security interests and other encumbrances;
- (c) the Assignor has not received any notice of default or claim for set-off from any party to any of the Collateral; and,
- (d) none of the Collateral in existence on the date hereof is incapable of assignment to the Lender in accordance with the provisions of this Agreement, nor is the consent of any third party required for any assignment set out in this Agreement or in connection with any further assignment by the Lender.

## **ARTICLE I V - DEFAULT AND REMEDIES**

4.1 **Enforcement upon Default:** Without limiting in any manner whatsoever the Lender's rights, remedies and recourses pursuant to this Agreement, by operation of law or otherwise, if any of the representations and warranties set out in this Agreement or in any of the Loan Documents is untrue or if the Assignor has defaulted under or pursuant to, or otherwise failed to perform, fulfil or satisfy any covenant, obligation or condition set out in, or upon the occurrence of any Default, the Lender may from time to time and at any time, at its sole discretion, in its own name or in the name of the Assignor and without notice to the Assignor, do any one or more of the following:

- (a) perform, fulfil or satisfy any covenant, obligation or other provision set out in any of the Collateral which could have been performed, fulfilled or satisfied by the Assignor;

- (b) exercise any of the rights, powers, authority and discretion which, pursuant to any of the Collateral, could have been exercised by the Assignor including, without limitation, amending and renewing any of the Collateral and otherwise dealing with any contractor, subcontractor and/or any other Person referred to in the Construction Agreements or the Contracts and with others and participating in all settlement negotiations and arbitration proceedings resulting from any Dispute relating to the Collateral; and,
- (c) collect any proceeds, receipts or income arising from or out of the Collateral including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Lender or both, for the collection of same;

and in the event that the Lender does any one or more of the foregoing, for such period of time that the Lender continues to do so, the rights, powers, authority and discretion of the Assignor with respect thereto shall thereupon be extinguished.

The Assignor acknowledges and agrees that all costs and expenses incurred by the Lender or any receiver or receiver and manager appointed by the Lender in connection with doing anything permitted in this Section 4.01 including, without limitation, legal fees and disbursements on a full indemnity basis, shall be forthwith paid by the Assignor to the Lender.

4.2 **Application of Funds:** All amounts realized from the Collateral upon the enforcement of this Agreement shall be applied by the Lender firstly, to the payment of expenses owing under the Loan Documents, secondly, to the payment of such part of the Indebtedness as constitutes interest, and thirdly, to the payment of the balance of the Indebtedness; and any deficiency shall be and remain payable by the Assignor to the Lender. If any surplus remains after the payments itemized herein, such surplus shall be applied in the manner provided for in the Act. Notwithstanding the foregoing, the Secured Party reserves the right to interplead or make any appropriate application pursuant to the *Trustee Act* (Ontario).

4.3 **Authority of Assignor Prior to Default:** Until a Default occurs the Assignor shall have the authority to collect any monies payable or arising out of or from the Collateral and, subject to section 3.04 hereof, the Assignor shall have the authority to exercise, in good faith, all of the rights, powers, authority and discretion under the Collateral. However, upon the occurrence of a Default, such authority shall immediately cease without further notice to the Assignor. Any monies received by or on behalf of the Assignor after a Default has occurred shall be received and held in trust for the Lender and forthwith remitted to the Lender.

4.4 **Lender Not Liable:** The Lender shall not be bound to do any one or more of the following:

- (a) give any notice;
- (b) exercise any rights, powers, authority, discretion or remedies whatsoever; and/or,
- (c) institute proceedings for the purpose of seizing, realizing upon, disposing of or obtaining possession of the Collateral or any part thereof or for the purpose of collecting or obtaining payment of the Indebtedness or any part thereof or for the purpose of preserving any rights of the Lender, the Assignor or any other Person in respect of same;

nor shall the Lender be liable or accountable for doing or failing to do any one or more of the foregoing. The Assignor shall be liable for all actions, causes of action, proceedings, debts, demands, claims, losses, damages and other liabilities incurred or suffered by the Assignor or the Lender by reason of or on account of any act or failure to act of the Lender.

## **ARTICLE V - GENERAL CONTRACT PROVISIONS**

5.1 **Further Assurances:** The Assignor agrees to execute all such further assignments and other documents and to do all such further acts and things including obtaining any consents which are required by the Lender, from time to time, to more effectively assign and transfer the Collateral to the Lender and the Lender is irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes.

5.2 **No Novation:** This assignment and transfer to the Lender of the Collateral is continuing security granted to the Lender, without novation or impairment of any other existing or

future security held by the Lender, in order to secure, among other things, payment to the Lender of the Indebtedness.

5.3 **Rights, Powers and Remedies:** Each right, power and remedy of the Lender provided for in this Agreement or available at law or in equity may be exercised separately from or in combination with, and is in addition to and not in substitution for, any other right, power and remedy of the Lender however created. Without limiting the generality of the foregoing, the taking of judgment or judgments by the Lender shall not operate as a merger or affect the right of the Lender to interest as provided herein.

5.4 **Re-Assignment:** Upon the Indebtedness being paid in full the Lender shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Collateral to the Assignor.

5.5 **Waiver:** No consent or waiver, express or implied, by the Lender to or of any breach or default by the Assignor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by the Assignor of its obligations hereunder. Failure on the part of the Lender to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder.

5.6 **Dealings with Persons:** The Lender may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Collateral, the Assignor, debtors of the Assignor, guarantors, sureties and others, as the Lender may see fit, without prejudice to the Lender's rights, powers and remedies whatsoever.

5.7 **Notices:** Any notice or demand which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally or by facsimile upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail addressed to the Assignor at its address set out in any of the Loan Documents and addressed to the Lender at its address set out in any of the Loan Documents. The date of receipt of such notice or demand, if served personally or by facsimile, shall be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. For the purposes hereof, personal service on the Assignor shall be effectively given by delivery to any officer, director or employee of the Assignor. The Lender or the Assignor may, from time to time, change its address or stipulate another address from the address described in this Agreement by giving notice in the manner provided in this section.

5.8 **Entire Agreement:** This Agreement constitutes the entire agreement between the Lender and the Assignor pertaining to the assignment of the Collateral and may not be amended in any matter except by written instrument signed by them.

5.9 **Direction:** The Assignor authorizes and directs the respective insurers under each of the Insurance Policies to pay to the Lender all of the proceeds payable under each of the Insurance Policies; and this shall serve as each such insurers' good, sufficient and irrevocable authority to do so.

5.10 **Survival:** All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances made by the Lender to the Assignor, and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Assignor shall be deemed to have been relied upon by the Lender.

5.11 **Applicable Law:** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties hereto irrevocably attorn to the jurisdiction of the courts of this Province sitting at Toronto, Ontario.

5.12 **Legislation References:** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

5.13 **Number and Gender:** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders.



5.14       **Joint and Several:** If two or more Persons have executed this Agreement as Assignor, all covenants and obligations of such Persons hereunder shall be joint and several covenants and obligations.

5.15       **Successors and Assigns:** This Agreement and each of the covenants, warranties and representations herein set out shall enure to the benefit of the Assignee and the Assignee's successors and assigns, and shall be binding upon the Assignor and the Assignor's heirs, personal representatives, successors and assigns. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation, any trustee in bankruptcy and, where any party is a partnership, any new partnership resulting from the admission of new partners or any other change in the composition of such party, including, without limiting the generality of the foregoing, the resignation or death of any or all of the partners.

5.16       **Receipt of Copy:** The Assignor acknowledges receipt of a copy of this Agreement.

5.17       **Counterparts:** This Agreement may be executed in counterparts and all counterparts so executed will constitute one Agreement binding on the undersigned effective on execution by all of them.

IN WITNESS WHEREOF the undersigned has executed this Agreement as of the date first above written.

**NOBLE HOUSE DEVELOPMENT CORPORATION**

Per: \_\_\_\_\_  
Name: Raymond Jarvis  
Title: A.S.O.  
I have the authority to bind the Corporation.

**2307400 ONTARIO INC.**

Per: \_\_\_\_\_  
Name: Ray Jarvis  
Title: President  
I have the authority to bind the Corporation.

**2209326 ONTARIO LTD.**

Per: \_\_\_\_\_  
Name: Ray Jarvis  
Title: President  
I have the authority to bind the Corporation.

**SCHEDULE "A"**

**LEGAL DESCRIPTION**

Units 1 -14, Level 1, Muskoka Standard Condominium Plan No. 80, Town of Huntsville, District of Muskoka

**PINs**

48880-0001(LT) through to and including 48880-0014(LT)

**MUNICIPAL ADDRESS**

units 1-14  
3 Crescent Rd.  
Huntsville, ON.  
P1H 1Y3

# EXHIBIT "T"

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
SEARCH RESULTS

Date Search Conducted: 1/31/2020  
File Currency Date: 01/30/2020  
Family(ies): 1  
Page(s): 1

SEARCH : Business Debtor : NOBLE HOUSE DEVELOPMENT CORPORATION

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PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
SEARCH RESULTS

Date Search Conducted: 1/31/2020  
File Currency Date: 01/30/2020  
Family(ies): 1  
Page(s): 1

SEARCH : Business Debtor : NOBLE HOUSE DEVELOPMENT CORPORATION

FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 1  
SEARCH : BD : NOBLE HOUSE DEVELOPMENT CORPORATION

00 FILE NUMBER : 730953504 EXPIRY DATE : 17AUG 2024 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20170817 0848 1862 2308 REG TYP: P PPSA REG PERIOD: 7  
02 IND DOB : IND NAME:  
03 BUS NAME: NOBLE HOUSE DEVELOPMENT CORPORATION

OCN :  
04 ADDRESS : 29 MAIN STREET, SUITE 101  
CITY : HUNTSVILLE PROV: ON POSTAL CODE: P1H 2C6  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
PACE SAVINGS & CREDIT UNION LIMITED  
09 ADDRESS : 8111 JANE STREET, UNIT 1  
CITY : VAUGHAN PROV: ON POSTAL CODE: L4K 4L7  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
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GENERAL COLLATERAL DESCRIPTION  
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16 AGENT: MACDONALD SAGER MANIS LLP (DN/MF 172718)  
17 ADDRESS : 150 YORK STREET, SUITE 800  
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3S5

# EXHIBIT "U"

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
SEARCH RESULTS

Date Search Conducted: 1/31/2020  
File Currency Date: 01/30/2020  
Family(ies): 1  
Page(s): 1

SEARCH : Business Debtor : 2307400 ONTARIO INC.

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PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
SEARCH RESULTS

Date Search Conducted: 1/31/2020  
File Currency Date: 01/30/2020  
Family(ies): 1  
Page(s): 1

SEARCH : Business Debtor : 2307400 ONTARIO INC.

FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 1  
SEARCH : BD : 2307400 ONTARIO INC.

00 FILE NUMBER : 732846114 EXPIRY DATE : 12OCT 2024 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20171012 0932 1862 6571 REG TYP: P PPSA REG PERIOD: 7  
02 IND DOB : IND NAME:  
03 BUS NAME: 2307400 ONTARIO INC.

OCN :  
04 ADDRESS : 101 MAIN STREET EAST, SUITE 29  
CITY : HUNTSVILLE PROV: ON POSTAL CODE: P1H 2C6  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
PACE SAVINGS & CREDIT UNION LIMITED  
09 ADDRESS : 8111 JANE STREET, UNIT 1  
CITY : VAUGHAN PROV: ON POSTAL CODE: L4K 4L7  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
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YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION  
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15

16 AGENT: MACDONALD SAGER MANIS LLP (DN/MF 172718)  
17 ADDRESS : 150 YORK STREET, SUITE 800  
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3S5



# EXHIBIT "V"

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
SEARCH RESULTS

Date Search Conducted: 1/31/2020  
File Currency Date: 01/30/2020  
Family(ies): 1  
Page(s): 1

SEARCH : Business Debtor : 2209326 ONTARIO LTD.

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PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
SEARCH RESULTS

Date Search Conducted: 1/31/2020  
File Currency Date: 01/30/2020  
Family(ies): 1  
Page(s): 1

SEARCH : Business Debtor : 2209326 ONTARIO LTD.

FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 1  
SEARCH : BD : 2209326 ONTARIO LTD.

00 FILE NUMBER : 732846222 EXPIRY DATE : 12OCT 2024 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20171012 0934 1862 6572 REG TYP: P PPSA REG PERIOD: 7  
02 IND DOB : IND NAME:  
03 BUS NAME: 2209326 ONTARIO LTD.

OCN :  
04 ADDRESS : 75 WEST ROAD  
CITY : HUNTSVILLE PROV: ON POSTAL CODE: P1H 1T4  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
PACE SAVINGS & CREDIT UNION LIMITED  
09 ADDRESS : 8111 JANE STREET, UNIT 1  
CITY : VAUGHAN PROV: ON POSTAL CODE: L4K 4L7  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
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YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION  
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15

16 AGENT: MACDONALD SAGER MANIS LLP (DN/MF 172718)  
17 ADDRESS : 150 YORK STREET, SUITE 800  
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3S5

# EXHIBIT "W"



**Timothy C. Hogan**  
Direct Line: (519)-661-6743  
thogan@harrisonpensa.com

Assistant: Cathy Coleiro  
Direct Line: (519) 850-5568  
ccoleiro@harrisonpensa.com

August 28, 2019

**Via E-Mail Ray@Remax-Muskoka.cam and Via Registered and Regular Mail**

Noble House Development Corporation  
Unit 101 – 29 Main Street East  
Huntsville, ON P1H 2O6

2307400 Ontario Inc.  
Unit 101 – 29 Main Street East  
Huntsville, ON P1H 2O6

2209326 Ontario Ltd.  
Unit 101 – 29 Main Street East  
Huntsville, ON P1H 2O6

Dear Sir:

**Re: Pace Credit Union ("Pace CU") and Noble House Development Corporation, 2307400 Ontario Inc. and 2209326 Ontario Ltd. (collectively the "Borrowers")  
Our File No. 179555**

We are counsel for Pace CU with respect to the outstanding credit facilities provided by Pace CU to the Borrowers.

The terms of the credit facilities between the Borrowers and Pace CU are set out in the Agreement between the Borrowers and Pace CU dated September 19, 2017 (the "**Letter Agreement**").

The credit facilities subject to the Letter Agreement are in default as a result of the following:

1. Missed Interest Payments totalling \$18,163.21 as of August 27, 2019;
2. The registration of a Construction Lien and Certificate in favour of Dael Thermal Group Inc. over the real property parcels subject to the charge

HARRISON PENSA LLP  
Lawyers

held by Pace CU as granted by 2307400 Ontario Inc. and 2209326 Ontario Ltd.;

3. The Borrower's failure to provide financial statements;
4. The personal guarantors' failure to provide a copy of CRA filed personal tax return and Notice of Assessment annually and failure to provide Personal and Personal Net Worth statements every two years post funding.

(collectively the "Default")

The amount outstanding as of August 27, 2019 is \$5,473,582.03 with interest and all legal costs continuing to accrue (per diem \$866.44) (the "Indebtedness").

As a result of the Default, Pace CU is not agreeable to continuing the credit facilities as set out in the Letter Agreement in the normal course.

Please be advised that Pace CU requires the payment of a default and administrative fee of \$5,000 (the "Fee"), which is due and payable on the execution of this letter.

Conditional on the payment of the Fee and the return of this letter as duly executed, Pace CU will continue to provide credit until November 27, 2019, subject to the reservation of rights contained herein. Further, please be advised that Pace CU does require that the Indebtedness be paid in full on or before **November 27, 2019**.

Pace CU does not waive any rights arising out of the Default by the Borrowers and all such rights are preserved. All terms and conditions set out in the Letter Agreement continue to be applicable and Pace CU expressly reserves all rights with respect to all defaults including, without limitation, Pace CU's right to demand payment as set out in the Letter Agreement.

The failure to comply with the covenants under the Letter Agreement affects Pace CU's decisions with respect to the availability of credit available to the Borrowers. Pace CU reserves, at its sole discretion, the right to make no further advances under the Letter Agreement to the Borrowers.

Please execute below to confirm each parties acknowledgement and agreement to the terms of this letter by no later than Thursday, September 5, 2018.

We advise that no intermediate acts, negotiations or indulgences shall act as a waiver to Pace CU's rights unless so expressly stated in writing.

Pace CU reserves all rights.

Yours truly,

HARRISON PENSA <sup>LLP</sup>



Timothy C. Hogan  
Direct: (519) 661-6743  
Email: [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)  
cc: Ray Jarvis as guarantor  
cc: John Jarvis as guarantor

NOBLE HOUSE DEVELOPMENT  
CORPORATION




Per: \_\_\_\_\_  
Name: Ray Jarvis  
Office: President  
Date: \_\_\_\_\_  
I have authority to bind the Corporation

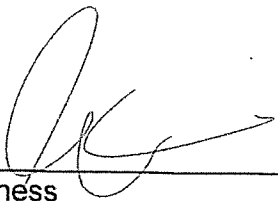
2307400 ONTARIO INC.





Per: \_\_\_\_\_  
Name: Ray Jarvis  
Office: President  
Date: \_\_\_\_\_  
I have authority to bind the Corporation

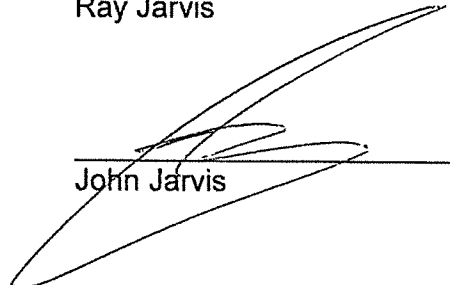
2209326 ONTARIO LTD.

Per:   
Name: Ray Jarvis  
Office: President  
Date:  
I have authority to bind the Corporation

  
Witness

  
Witness

  
Ray Jarvis

  
John Jarvis



# EXHIBIT "X"



255 Manitoba St.  
Bracebridge, ON  
P1L 1S2  
Phone: 705-645-3007  
Fax: 705-645-3998  
www.fallslaw.ca

Cara Valiquette  
BComm. Hons., J.D.

Jay Herbert  
BA Hons., J.D.

Mallorie Malone  
BA Hons., M.A., J.D.

Danielle Bertin  
BA Hons., J.D.

November 28, 2019

Timothy Hogan  
Harrison Pensa  
c/o thogan@harrisonpensa.com

RE: PCU and Noble House/230 / 220 Ont. Inc

---

Please be advised that I act as counsel for Noble House Development Corporation, 2307400 Ontario Inc and 2209326 Ontario Ltd. (the borrowers)

My clients have provided me with your letter of August 28, 2019 along with an email chain from September 4, 2019 to present.

The letter from August 28, 2019 indicates a default in the Letter Agreement based on four grounds:

1. Missed payment;
2. Registration of a lien;
3. Failure to provide financials
4. Failure to provide tax returns and net worth statements;

I will address all of these concerns in order.

Considering the letter is sent on August 28 and the missed payment occurred on the August 27, it is clear that the missed payment was the issue.

My client immediately rectified the missed payment on September 4, 2019. They also provided the required fee of \$5000 for the missed payment. Since that date, there have been no further missed payments. The loan is in good standing.

With respect to the registration of the lien, it is a construction lien matter. I am counsel for the borrowers on that matter and I am negotiating a settlement with counsel. The substance of the claim is not against the borrowers, but against the contractor.

Financial details were provided in 2017 and in August 2019 when requested.

Based on the above, there is no default of the terms of the Letter Agreement. If you require further information, please advise and I will forward it to you.

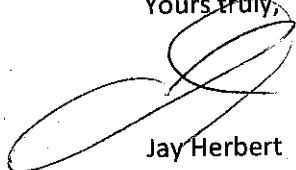
My clients believe that the substance of the "claim of an alleged default" is from PCU receiving an alleged updated appraisal on the property. Mr. Ray Jarvis was advised that the alleged appraisal indicated the value of the property is \$4.1 million. We do not have this alleged appraisal and if you could provide it then we can review it. In any event, the subject property is not worth \$4.1 million.

You received an appraisal at the time of the Letter Agreement indicating a value of over \$8 million. My clients are negotiating with offers around that value. They are also taking offers to purchase 7 units for more than half that amount and more than your appraisal.

We are not sure of what steps PCU intends to take at this point, but it should be noted that the Letter Agreement is in good standing, the borrowers are prepared to comply with any request for further information, they dispute any allegation that they have breached the Letter Agreement and if PCU takes any steps that may interfere with the potential sales which causes the borrowers to have damages, they will take immediate action to recover those damages.

Please contact me if you have any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to be "Jay Herbert", written over the typed name.

Jay Herbert

# EXHIBIT "Y"

## Rob Danter

---

**From:** Tim Hogan <thogan@harrisonpensa.com>  
**Sent:** Thursday, December 12, 2019 10:55 AM  
**To:** Jay Herbert  
**Cc:** Paul Waters (pwaters@pacecu.com)  
**Subject:** Pace CU and Noble House [IWOV-HPMain.FID465881]  
**Attachments:** 20191206095649594.pdf

**Importance:** High

Jay

In response to your letter of November 28, 2019, please note that beyond the defaults referenced in our earlier writings, the loans advanced by Pace CU as Lines of Credit and Construction Funding, were due in full as of December 31, 2017. The conversion of these loans to a 5 year term loan as at December 31, 2017 was conditional on the completion of the construction at the project. This construction was not completed at December 31, 2017 and remains incomplete today.

The Borrower has failed to keep realty taxes current, see attached a tax certificate for a sample unit (1-3 Crescent Road) showing total past due of \$9,803.76.

Further, a covenant of the loan advanced is that the Borrower and Guarantors must demonstrate the ability to maintain a debt service ratio of 1.25. Based on year end 2018 financial statements, this covenant is not met. Pace CU has not been provided period ended July 2019 financial statements; however, in the face of past payment arrears, and the realty tax arrears, it is most certain that the Borrower will be unable to meet this covenant.

With respect to appraisals, Pace CU does have in its file a draft appraisal from April 2019 showing an AS IS value of \$4.1MM and a prospective value of \$5MM at leasing stabilization. Please provide to us any other appraisal that your client has.

The above said, the loans are not in good standing, and are due in full.

Pace will consider extending the time for repayment of these loans, on terms acceptable to it, that must include:

1. The commencing of monthly principal payments in addition to interest payments bases on an annual rate of 5.5% and an amortization of 25 years
2. A timeline for a lump sum payment to reduce the debt
3. A consent to the appointment of a receiver over the secured assets on any default.

Also, please send us a copy of the agreement for sale for the seven units.

We look forward to hearing from you.

**Tim Hogan** | [HARRISON PENSA LLP](mailto:thogan@harrisonpensa.com) | 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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# EXHIBIT "Z"

## Rob Danter

---

**From:** Tim Hogan <thogan@harrisonpensa.com>  
**Sent:** Thursday, December 19, 2019 9:40 AM  
**To:** Jay Herbert  
**Cc:** Paul Waters (pwaters@pacecu.com)  
**Subject:** RE: Pace CU and Noble House [IWOV-HPMain.FID465881]

Jay,

We look forward to hearing from you following December 24, 2019.

With the holidays approaching, we anticipate getting back to you early in January, 2020.

**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:** Jay Herbert [mailto:jay@fallslaw.ca]  
**Sent:** Wednesday, December 18, 2019 2:04 PM  
**To:** Tim Hogan <thogan@harrisonpensa.com>  
**Cc:** Paul Waters (pwaters@pacecu.com) <pwaters@pacecu.com>  
**Subject:** Re: Pace CU and Noble House [IWOV-HPMain.FID465881]  
**Importance:** High

Good Afternoon Tim,

I have followed up with my client with respect to your email below. I think we will be able to come to agreeable terms.

Attached you will find the working copy of the APS. You will note that the sale price will cover the liability with Pace along with any potential taxes owing.

The parties are meeting on December 24, 2019 at 1pm to finalize this deal. There are some conditions in this APS that include timelines. I am also attaching a quote from Advanced Roofing that can complete the repairs as required by this APS.

Your client is requesting 3 terms for the extending the time for repayment of the loans. My suggestion would be that we allow the proposed deal finalize on December 24 (as the parties are not far apart). We can then review the final terms to develop a timeline for the lump sum payment as well as what payment is necessary to be made towards the principal in the interim.

Please advise.



On Dec 12, 2019, at 10:54 AM, Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)> wrote:

Jay

In response to your letter of November 28, 2019, please note that beyond the defaults referenced in our earlier writings, the loans advanced by Pace CU as Lines of Credit and Construction Funding, were due in full as of December 31, 2017. The conversion of these loans to a 5 year term loan as at December 31, 2017 was conditional on the completion of the construction at the project. This construction was not completed at December 31, 2017 and remains incomplete today.

The Borrower has failed to keep realty taxes current, see attached a tax certificate for a sample unit (1-3 Crescent Road) showing total past due of \$9,803.76.

Further, a covenant of the loan advanced is that the Borrower and Guarantors must demonstrate the ability to maintain a debt service ratio of 1.25. Based on year end 2018 financial statements, this covenant is not met. Pace CU has not been provided period ended July 2019 financial statements; however, in the face of past payment arrears, and the realty tax arrears, it is most certain that the Borrower will be unable to meet this covenant.

With respect to appraisals, Pace CU does have in its file a draft appraisal from April 2019 showing an AS IS value of \$4.1MM and a prospective value of \$5MM at leasing stabilization. Please provide to us any other appraisal that your client has.

The above said, the loans are not in good standing, and are due in full.

Pace will consider extending the time for repayment of these loans, on terms acceptable to it, that must include:

1. The commencing of monthly principal payments in addition to interest payments bases on an annual rate of 5.5% and an amortization of 25 years
2. A timeline for a lump sum payment to reduce the debt
3. A consent to the appointment of a receiver over the secured assets on any default.

Also, please send us a copy of the agreement for sale for the seven units.

We look forward to hearing from you.

**Tim Hogan** | [HARRISON PENZA LLP](mailto:HARRISON PENZA 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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<20191206095649594.pdf>

Yours truly,

Jay Herbert

Falls Law Group, a Professional Corporation  
255 Manitoba Street  
Bracebridge, ON P1L 1S2  
Tel: 705-645-3007  
Fax: 705-645-3998

# EXHIBIT "AA"

## Rob Danter

---

**From:** Tim Hogan <thogan@harrisonpensa.com>  
**Sent:** Wednesday, January 8, 2020 5:44 PM  
**To:** Jay Herbert  
**Cc:** Paul Waters (pwaters@pacecu.com)  
**Subject:** RE: Noble House Development Corporation- [IWOV-HPMain.FID465881]

Jay, I am following on my e-mail of January 6, 2020. Is there an update available on any sale.

Also, see below, with respect to this Borrower's default under the credit facility, to which Pace does reserve all rights.

We look forward to hearing from you.

**Tim Hogan** | [HARRISON PENZA 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:** Guldem Alagoz  
**Sent:** Wednesday, January 08, 2020 12:53 PM  
**To:** Ray Jarvis  
**Cc:** [john@remax-muskoka.com](mailto:john@remax-muskoka.com); Suzanne Hyde; Paul Waters  
**Subject:** Noble House Development Corporation-

Good Afternoon,

This is to advise that your monthly automatic funds transfer payment of January 6, 2020 in the amount of \$30,000.00 has been returned to us by your bank "NSF" and as a result your LOC's are currently in arrears for interest.

Please provide your branch with a certified cheque in the amount of \$30,045.00, which includes a \$45.00 AFT NSF fee, to cover the LOC interest arrears.

Thank you for choosing PACE,

Guldem



Güldem Alagöz  
Commercial Credit Support Officer  
8111 Jane St. Unit 1  
Vaughan, ON, L4K 4L7  
T: 905 738 8900 Ext 1039  
T: 289 459 0994  
F: 905 738 8283  
[galagoz@pacecu.com](mailto:galagoz@pacecu.com)  
[www.pacecu.ca](http://www.pacecu.ca)

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## Rob Danter

---

**From:** Tim Hogan <thogan@harrisonpensa.com>  
**Sent:** Monday, January 6, 2020 11:47 AM  
**To:** Jay Herbert  
**Cc:** Paul Waters (pwaters@pacecu.com)  
**Subject:** RE: Pace CU and Noble House [IWOV-HPMain.FID465881]

Good morning Jay,

Can you provide an update on this matter?

Thanks

**Tim Hogan** | [HARRISON PENZA 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:** Jay Herbert [mailto:jay@fallslaw.ca]  
**Sent:** Thursday, December 19, 2019 10:06 AM  
**To:** Tim Hogan <thogan@harrisonpensa.com>  
**Cc:** Paul Waters (pwaters@pacecu.com) <pwaters@pacecu.com>  
**Subject:** Re: Pace CU and Noble House [IWOV-HPMain.FID465881]

Thank you. My office is closed until January 6, so I will contact you upon my return.

Have a good holidays.

Sent from my iPhone

On Dec 19, 2019, at 9:40 AM, Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)> wrote:

Jay,

We look forward to hearing from you following December 24, 2019.

With the holidays approaching, we anticipate getting back to you early in January, 2020.

**Tim Hogan** | [HARRISON PENZA 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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# EXHIBIT "BB"

## Rob Danter

---

**From:** Tim Hogan <thogan@harrisonpensa.com>  
**Sent:** Monday, January 27, 2020 11:11 AM  
**To:** Jay Herbert  
**Cc:** Paul Waters (pwaters@pacecu.com)  
**Subject:** RE: Pace CU and Noble House [IWOV-HPMain.FID465881]  
**Attachments:** doc04156320190904141004.pdf

**Importance:** High

Jay

I am following on any proposal that may be forthcoming from your clients and an update on the potential sale of the real property.

Pace has been more than reasonable in providing time to Noble House to make arrangements to pay its debt to Pace.

Pursuant to the attached executed letter agreement dated August 28, 2019, it was agreed that the debt would be paid by November 27, 2019.

As has been advised to Noble House, the facility advanced by Pace is in arrears as follows:

LOC#104184 amount \$8,025.98 (one month)  
LOC#105418 amount \$730.53 (one month)  
LOC#105419 amount \$21,243.49 (one month)

Please be advised that Pace requires, on or before close of business tomorrow, January 28, 2020, an update on any capital injection into Noble House and an update on any sale, along with a proposal on the payment of the debt. Pace will review what is provided, in its absolute discretion, and determine whether it will be issuing a demand for payment and a notice of intention to enforce security.

Pace does reserve all rights, including the right to issue a demand for payment and take all steps to protect its interest

**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:** Jay Herbert [mailto:jay@fallslaw.ca]  
**Sent:** Tuesday, January 21, 2020 8:25 AM  
**To:** Tim Hogan <thogan@harrisonpensa.com>  
**Cc:** Paul Waters (pwaters@pacecu.com) <pwaters@pacecu.com>  
**Subject:** Re: Pace CU and Noble House [IWOV-HPMain.FID465881]



Schedules got crossed yesterday. We're chatting this morning. I'll do my best to get something to you ASAP, but I'm also dealing with issues stemming from this teachers strike.

Sent from my iPhone

On Jan 21, 2020, at 8:12 AM, Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)> wrote:

Good morning Jay

I am following from our conversation of this past Thursday.

When can we expect to hear from your client as to the timing of a capital injection into Noble House to reduce its debt to Pace and any proposal?

**Tim Hogan** | [HARRISON PENZA LLP](http://HARRISON PENZA 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)

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  
**Sent:** Monday, January 13, 2020 3:53 PM  
**To:** Jay Herbert <[jay@fallsllaw.ca](mailto:jay@fallsllaw.ca)>  
**Cc:** Paul Waters ([pwaters@pacecu.com](mailto:pwaters@pacecu.com)) <[pwaters@pacecu.com](mailto:pwaters@pacecu.com)>  
**Subject:** RE: Pace CU and Noble House [IWOV-HPMain.FID465881]

Jay, how about 10:30?

**Tim Hogan** | [HARRISON PENZA LLP](http://HARRISON PENZA 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:** Jay Herbert [<mailto:jay@fallsllaw.ca>]  
**Sent:** Monday, January 13, 2020 3:43 PM  
**To:** Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)>  
**Cc:** Paul Waters ([pwaters@pacecu.com](mailto:pwaters@pacecu.com)) <[pwaters@pacecu.com](mailto:pwaters@pacecu.com)>  
**Subject:** Re: Pace CU and Noble House [IWOV-HPMain.FID465881]

Good Afternoon Tim,

Do you have some time on Thursday morning to discuss?

On Jan 6, 2020, at 11:47 AM, Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)> wrote:

Good morning Jay,

Can you provide an update on this matter?

Thanks

**Tim Hogan** | [HARRISON PENZA 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)  
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:** Jay Herbert [<mailto:jay@fallslaw.ca>]  
**Sent:** Thursday, December 19, 2019 10:06 AM  
**To:** Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)>  
**Cc:** Paul Waters ([pwaters@pacecu.com](mailto:pwaters@pacecu.com)) <[pwaters@pacecu.com](mailto:pwaters@pacecu.com)>  
**Subject:** Re: Pace CU and Noble House [IWOV-HPMain.FID465881]

Thank you. My office is closed until January 6, so I will contact you upon my return.

Have a good holidays.

Sent from my iPhone

On Dec 19, 2019, at 9:40 AM, Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)> wrote:

Jay,

We look forward to hearing from you following December 24, 2019.

With the holidays approaching, we anticipate getting back to you early in January, 2020.

**Tim Hogan** | [HARRISON PENZA 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)  
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:** Jay Herbert [<mailto:jay@fallslaw.ca>]  
**Sent:** Wednesday, December 18, 2019 2:04 PM  
**To:** Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)>  
**Cc:** Paul Waters ([pwaters@pacecu.com](mailto:pwaters@pacecu.com)) <[pwaters@pacecu.com](mailto:pwaters@pacecu.com)>

**Subject:** Re: Pace CU and Noble House [IWOV-HPMain.FID465881]

**Importance:** High

Good Afternoon Tim,

I have followed up with my client with respect to your email below. I think we will be able to come to agreeable terms.

Attached you will find the working copy of the APS. You will note that the sale price will cover the liability with Pace along with any potential taxes owing.

The parties are meeting on December 24, 2019 at 1pm to finalize this deal. There are some conditions in this APS that include timelines. I am also attaching a quote from Advanced Roofing that can complete the repairs as required by this APS.

Your client is requesting 3 terms for the extending the time for repayment of the loans. My suggestion would be that we allow the proposed deal finalize on December 24 (as the parties are not far apart). We can then review the final terms to develop a timeline for the lump sum payment as well as what payment is necessary to be made towards the principal in the interim.

Please advise.

On Dec 12, 2019, at 10:54 AM, Tim Hogan  
<[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)> wrote:

Jay

In response to your letter of November 28, 2019, please note that beyond the defaults referenced in our earlier writings, the loans advanced by Pace CU as Lines of Credit and Construction Funding, were due in full as of December 31, 2017. The conversion of these loans to a 5 year term loan as at December 31, 2017 was conditional on the completion of the construction at the project. This construction was not completed at December 31, 2017 and remains incomplete today.

The Borrower has failed to keep realty taxes current, see attached a tax certificate for a sample unit (1-3 Crescent Road) showing total past due of \$9,803.76.

Further, a covenant of the loan advanced is that the Borrower and Guarantors must demonstrate the ability to maintain a debt service ratio of 1.25. Based on year end 2018 financial statements, this covenant is not met. Pace CU has not been provided period ended July 2019 financial statements; however, in the face of past payment arrears, and the realty tax arrears, it is most certain that the Borrower will be unable to meet this covenant.

With respect to appraisals, Pace CU does have in its file a draft appraisal from April 2019 showing an AS IS value of \$4.1MM and a prospective value of \$5MM at leasing stabilization. Please provide to us any other appraisal that your client has.

The above said, the loans are not in good standing, and are due in full.

Pace will consider extending the time for repayment of these loans, on terms acceptable to it, that must include:

1. The commencing of monthly principal payments in addition to interest payments bases on an annual rate of 5.5% and an amortization of 25 years
2. A timeline for a lump sum payment to reduce the debt
3. A consent to the appointment of a receiver over the secured assets on any default.

Also, please send us a copy of the agreement for sale for the seven units.

We look forward to hearing from you.

**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)

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.

<20191206095649594.pdf>

Yours truly,

Jay Herbert

Falls Law Group, a Professional Corporation  
255 Manitoba Street  
Bracebridge, ON P1L 1S2  
Tel: 705-645-3007  
Fax: 705-645-3998

Yours truly,

Jay Herbert

Falls Law Group, a Professional Corporation  
255 Manitoba Street  
Bracebridge, ON P1L 1S2  
Tel: 705-645-3007  
Fax: 705-645-3998

# EXHIBIT "CC"



**Timothy C. Hogan**  
Direct Line: (519)-661-6743  
thogan@harrisonpensa.com

Assistant: Cathy Coleiro  
Direct Line: (519) 850-5568  
ccoleiro@harrisonpensa.com

January 30, 2020

**Via Registered & Regular Mail**

Noble House Development Corporation  
Unit 101 – 29 Main Street East  
Huntsville, ON P1H 2O6

2307400 Ontario Inc.  
Unit 101 – 29 Main Street East  
Huntsville, ON P1H 2O6

2209326 Ontario Ltd.  
75 West Road  
Huntsville, ON P1H 1T4

Dear Sir:

**Re: Indebtedness of Noble House Development Corporation, 2307400 Ontario Inc. and 2209326 Ontario Ltd. to PACE Savings & Credit Union Limited ("Pace CU")  
Our File No. 179555**

We are the solicitors for Pace CU with respect to loans provided to Noble House Development Corporation, 2307400 Ontario Inc. and 2209326 Ontario Ltd. (hereinafter the "**Debtors**").

This letter follows Pace CU's letter of August 28, 2019. The Debtors have failed to pay the Indebtedness owing to Pace CU by November 27, 2019 as required pursuant to the terms thereof.

According to the Pace CU's records, the Debtors are indebted to Pace CU in the principal amount of \$5,455,510.45 plus administration fees of \$900 together with interest thereon which, as of January 30, 2020, amounts to \$24,739.48, for a total indebtedness of \$5,481,149.93 plus accruing interest and Pace CU's costs of enforcement on a solicitor and client basis (the "**Indebtedness**").

**HARRISON PENSA LLP**  
Lawyers

The Indebtedness is comprised of the following:

Line of Credit (Account #105419)	Principal - \$3,648,782.26	Interest - \$16,540.46 (as of January 29, 2020)  Administration Fee - \$300
Line of Credit (Account #104184)	Principal - \$1,655,997.66	Interest - \$7,513.22 (as of January 29, 2020)  Administration Fee - \$300
Line of Credit (Account #105418)	Principal - \$150,730.53	Interest - \$683.40 Interest - \$2.40 (Overdraft) (as of January 29, 2020)  Administration Fee - \$300

The Debtors are in default of certain agreements signed in favour of Pace CU including, but not limited to, the following:

1. Commitment Letter dated September 19, 2017 (the "**Commitment Letter**");
2. Charge/Mortgage of Land from 2209326 Ontario Ltd. and 2307400 Ontario Inc., in the principal sum of \$5,500,000 and receipted as instrument number MT191216 on October 26, 2017, charging PINS 48880-0001 LT, 48880-0002 LT, 48880-0003 LT, 48880-0004 LT, 48880-0005 LT, 48880-0006 LT, 48880-0007 LT, 48880-0008 LT, 48880-0009 LT, 48880-0010 LT, 48880-0011 LT, 48880-0012 LT, 48880-0013 LT AND 48880-0014 LT (the "**Property**");
3. Assignment of Rents from 2209326 Ontario Ltd. and 2307400 Ontario Inc receipted as MT191217 on October 26, 2017 charging the Property;
4. Business Loan General Security Agreement from each Debtor; and,
5. Assignment of all Material Contracts to Pace CU as required pursuant to the Commitment Letter.

On behalf of Pace CU we hereby demand payment of the Indebtedness owing by the Debtors together with interest thereon to the date of payment.



Failing payment within ten (10) days will result in Pace CU taking such steps as it considers necessary or appropriate to recover payment of the Debtors' Indebtedness and to protect its interest.

We advise that no intermediate acts, negotiations or indulgences shall act as a waiver to Pace CU's rights, or demand for payment as set out herein, unless so expressly stated in writing.

Finally, also find attached to this letter our client's Notice of Intention to Enforce Security, as well as the relevant consent to immediate enforcement of Pace CU's security. By signing this consent the Debtors waive the time period given by Pace CU under the notice.

Yours truly,

HARRISON PENSA <sup>LLP</sup>

A handwritten signature in black ink, appearing to be 'TH' or 'T.H.', written in a stylized, cursive-like font.

Timothy C. Hogan  
Direct: (519) 661-6743  
Email: [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)  
TCH/cc  
Enclosure  
Cc: Ray Jarvis as guarantor  
Cc: John Jarvis as guarantor

5062088\_1

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**(Section 244(1) of the *Bankruptcy and Insolvency Act*)**

TO: Noble House Development Corporation, 2209326 Ontario Ltd., and 2307400 Ontario Inc., insolvent persons

**TAKE NOTICE THAT:**

1. PACE Savings & Credit Union Limited, a secured creditor, intends to enforce its security on the property of the insolvent persons described as

All collateral of the insolvent person as described in the following security and the proceeds from the sale of said collateral:

- a. Charge/Mortgage of Land from 2209326 Ontario Ltd. and 2307400 Ontario Inc., in the principal sum of \$5,500,000 and receipted as instrument number MT191216 on October 26, 2017, charging PINS 48880-0001 LT, 48880-0002 LT, 48880-0003 LT, 48880-0004 LT, 48880-0005 LT, 48880-0006 LT, 48880-0007 LT, 48880-0008 LT, 48880-0009 LT, 48880-0010 LT, 48880-0011 LT, 48880-0012 LT, 48880-0013 LT AND 48880-0014 LT (the "Property");
- b. Assignment of Rents from 2209326 Ontario Ltd. and 2307400 Ontario Inc. receipted as MT191217 on October 26, 2017 charging the Property;
- c. Business Loan General Security Agreement from each of Noble House Development Corporation, 2209326 Ontario Ltd., and 2307400 Ontario Inc.;
- d. Assignment of all Material Contracts.

The property to which the security relates includes, but is not limited to, all accounts, book debts, inventory, equipment, and real property wherever located and all other collateral however described of the above-noted insolvent person and the proceeds thereof.

2. The security that is to be enforced is in the form of:

- a. Charge/Mortgage of Land from 2209326 Ontario Ltd. and 2307400 Ontario Inc., in the principal sum of \$5,500,000 and receipted as instrument number MT191216 on October 26, 2017, charging PINS 48880-0001 LT, 48880-0002 LT, 48880-0003 LT, 48880-0004 LT, 48880-0005 LT, 48880-0006 LT, 48880-0007 LT, 48880-0008 LT, 48880-0009 LT, 48880-0010 LT, 48880-0011 LT, 48880-0012 LT, 48880-0013 LT AND 48880-0014 LT (the "Property");
- b. Assignment of Rents from 2209326 Ontario Ltd. and 2307400 Ontario Inc. receipted as MT191217 on October 26, 2017 charging the Property;
- c. Business Loan General Security Agreement from each of Noble House Development Corporation, 2209326 Ontario Ltd., and 2307400 Ontario Inc.;
- d. Assignment of all Material Contracts.

3. The total amount of indebtedness secured by the security is \$5,481,149.93 as of January 30, 2020 plus interest as set out in the agreements, plus all costs of enforcement on a solicitor and client basis.
4. The secured creditor will not have the right to enforce its security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 30<sup>th</sup> day of January, 2020

PACE SAVINGS & CREDIT UNION LIMITED  
BY ITS SOLICITORS, HARRISON PENZA LLP

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

Timothy C. Hogan  
Harrison Pensa LLP  
450 Talbot Street, P.O. Box 3237  
London, ON N6A 4K3  
(519) 661-6743

**CONSENT**  
**(s.244(2) of the *Bankruptcy and Insolvency Act*)**

THE UNDERSIGNED hereby acknowledges receipt of a copy of PACE Savings & Credit Union Limited's demand dated January 30, 2020 and the Notice of Intention to Enforce Security dated January 30, 2020 pursuant to s.244(1) of the *Bankruptcy and Insolvency Act* and hereby waives the 10 day period set out in the demand and notice and consents to the immediate enforcement of PACE Savings & Credit Union Limited's security.

DATED at \_\_\_\_\_, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

NOBLE HOUSE DEVELOPMENT  
CORPORATION

\_\_\_\_\_  
I have authority to bind the company

2307400 ONTARIO INC.

\_\_\_\_\_  
I have authority to bind the company

2209326 ONTARIO LTD.

\_\_\_\_\_  
I have authority to bind the company

\_\_\_\_\_  
WITNESS

Per: \_\_\_\_\_  
Raymond Jarvis

\_\_\_\_\_  
WITNESS

Per: \_\_\_\_\_  
John Jarvis



**Timothy C. Hogan**  
Direct Line: 519-661-6743  
thogan@harrisonpensa.com

Assistant: Cathy Coleiro  
Direct Line: 519-850-5568  
ccoleiro@harrisonpensa.com

January 30, 2020

**Via Registered & Regular Mail**

John Jarvis  
14 Glenwood Drive  
Huntsville, ON P1H 1B8

Dear Sir:

**Re: Indebtedness of Noble House Development Corporation, 2307400  
Ontario Inc. and 2209326 Ontario Ltd. to PACE Savings & Credit  
Union Limited ("Pace CU")  
Our File No. 179555**

We are the solicitors for Pace CU with respect to loans provided to Noble House Development Corporation, 2307400 Ontario Inc. and 2209326 Ontario Ltd. (hereinafter the "**Debtors**").

According to Pace CU's records, the Debtor is indebted to Pace CU in the amount of \$5,481,149.93 as of January 30, 2020 together with interest thereon plus Pace CU's costs of enforcement on a solicitor and own client basis.

Pursuant to a guarantee executed by you and limited to the sum of \$5,500,000, you are liable to pay the sum of \$5,481,149.93 with interest continuing to accrue until payment plus Pace CU's legal fees on a solicitor and own client basis.

**HARRISON PENSA LLP**  
Lawyers

The debt is due and payable within ten (10) days of the date of this letter. Payment is to be made within ten (10) days, failing which our client will take whatever steps it deems necessary to protect its interest.

Yours truly,

HARRISON PENZA <sup>LLP</sup>

A handwritten signature in black ink, appearing to be 'TH' or 'Hog', written over a horizontal line.

Timothy C. Hogan  
Direct: (519) 661-6743  
Email: [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)

5160066\_1



**Timothy C. Hogan**  
Direct Line: 519-661-6743  
thogan@harrisonpensa.com

Assistant: Cathy Coleiro  
Direct Line: 519-850-5568  
ccoleiro@harrisonpensa.com

January 30, 2020

**Via Registered & Regular Mail**

Ray Jarvis  
65 Main Street West  
Huntsville, ON P1H 1W9

Dear Sir:

**Re: Indebtedness of Noble House Development Corporation, 2307400  
Ontario Inc. and 2209326 Ontario Ltd. to PACE Savings & Credit  
Union Limited ("Pace CU")  
Our File No. 179555**

We are the solicitors for Pace CU with respect to loans provided to Noble House Development Corporation, 2307400 Ontario Inc. and 2209326 Ontario Ltd. (hereinafter the "**Debtors**").

According to Pace CU's records, the Debtor is indebted to Pace CU in the amount of \$5,481,149.93 as of January 30, 2020 together with interest thereon plus Pace CU's costs of enforcement on a solicitor and own client basis.

Pursuant to a guarantee executed by you and limited to the sum of \$5,500,000, you are liable to pay the sum of \$5,481,149.93 with interest continuing to accrue until payment plus Pace CU's legal fees on a solicitor and own client basis.

**HARRISON PENSA LLP**  
Lawyers

The debt is due and payable within ten (10) days of the date of this letter. Payment is to be made within ten (10) days, failing which our client will take whatever steps it deems necessary to protect its interest.

Yours truly,

HARRISON PENSA <sup>LLP</sup>

A handwritten signature in black ink, appearing to be 'TH' or 'THO', written in a stylized, cursive-like font.

Timothy C. Hogan  
Direct: (519) 661-6743  
Email: [thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)

5160023\_1



# EXHIBIT "DD"

## Rob Danter

---

**From:** Tim Hogan <thogan@harrisonpensa.com>  
**Sent:** Thursday, January 30, 2020 5:02 PM  
**To:** Jay Herbert  
**Cc:** Paul Waters (pwaters@pacecu.com); Melinda Vine  
**Subject:** RE: Pace - Noble House - 3 crescent [IWOV-HPMain.FID465881]  
**Attachments:** demand letters - Noble House.pdf

Jay

Please see attached demand letters.

**Tim Hogan** | [HARRISON PENSA 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:** Tim Hogan  
**Sent:** Thursday, January 30, 2020 3:17 PM  
**To:** Jay Herbert <jay@fallslaw.ca>  
**Cc:** Paul Waters (pwaters@pacecu.com) <pwaters@pacecu.com>  
**Subject:** Pace - Noble House - 3 crescent [IWOV-HPMain.FID465881]

Jay,

See below e-mail from your client.

The borrowers were provided to November 27, 2019 to pay the debts due to Pace, and have failed to do so. Pace is aware that insurance on the charged land is in "cancelation mode". The lien and caution remains on title.

Pace is issuing a demand for payment and a notice of intention to enforce under the Bankruptcy and Insolvency Act as soon as possible.

We will provide your office copies of the demand and notice.

Regards

**Tim Hogan** | [HARRISON PENSA 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:** Ray Jarvis [<mailto:rayjarvis16@icloud.com>]

**Sent:** Thursday, January 30, 2020 11:30 AM

**To:** Tim Hogan <[thogan@harrisonpensa.com](mailto:thogan@harrisonpensa.com)>

**Subject:** 3 crescent

Hello Tim. As of now all Utilities are in good standing. If this changes I will let you know and keep You up to date. We have an ongoing offer, but not sure where it will end up. We're attempting to make a cash injection into to account, and with this I will Also keep you up to date

Sincerely,

RAY Jarvis

Direct: 705-380-1737

PACE SAVINGS & CREDIT UNION LIMITED

v.

NOBLE HOUSE DEVELOPMENT CORPORATION et al

Applicant

Respondents

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF PAUL WATERS**

**HARRISON 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

PACE SAVINGS & CREDIT UNION LIMITED

v.

NOBLE HOUSE DEVELOPMENT CORPORATION et al

Applicant

Respondents

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

<div><div><b>ONTARIO</b></div><div><b>SUPERIOR COURT OF JUSTICE</b></div><div><b>COMMERCIAL LIST</b></div></div> <div>PROCEEDING COMMENCED AT TORONTO</div>	
<div>APPLICATION RECORD</div>	
<div><div><b>HARRISON PENZA LLP</b> Barristers &amp; Solicitors 450 Talbot Street London, Ontario N6A 5J6</div><div><b>Timothy C. Hogan (LSO #36553S)</b> <b>Robert Danter (LSO# 69806O)</b> Tel : (519) 661-6725 Fax: (519) 667-3362</div></div>	<div>Lawyers for the Applicant, Pace Savings &amp; Credit Union Limited</div>