

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

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

B E T W E E N :

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

- and -

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

Respondents

DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by msi Spergel inc. (“**Spergel**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties (collectively, the “**Property**”) of Noble House Development Corporation (“**Noble House**”), 2307400 Ontario Inc. (“**230**”) and 2209326 Ontario Ltd. (“**220**”) and, together with Noble House and 230, the “**Debtor**”), acquired for, or used in relation to a business carried on by the Debtor, for an order, *inter alia*: (i) approving the Second Report of the Receiver dated June 8, 2021 and the supplement thereto dated June 14, 2021 (collectively, the “**Second Report**”) and the actions and activities of the Receiver described therein, including,

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

ON READING the Second Report and the appendices thereto, including, without limitation, the fee affidavit sworn on behalf of the Receiver ("**Spergel's Fee Affidavit**") and the fee affidavit sworn on behalf of the Receiver's counsel ("**A&B's Fee Affidavit**" and, together with Spergel's Fee Affidavit, the "**Fee Affidavits**"), and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served, and upon being advised by counsel in attendance that this motion is proceeding on consent,

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

2. **THIS COURT ORDERS** that the Second Report and the actions and activities of the Receiver described therein be and are hereby approved, including, without limitation, the Receiver's Interim Statement of Receipts and Disbursements appended to the Second Report.

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

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

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

(b) \$300,020.00 to Rutman & Rutman Professional Corporation in trust, without further Order of this Court, in partial satisfaction of the secured obligations owing by Noble House to the Level 2 Creditors (as defined in the Second Report); and

(c) \$1,812,115.36 to Harrison Pensa LLP in trust, without further order of this Court, in partial satisfaction of the secured obligations owing by 220 and 230 to Pace.

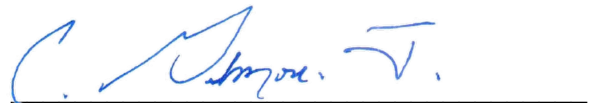
5. **THIS COURT ORDERS** that, upon the Receiver filing the Discharge Certificate, the Receiver shall be discharged as the Receiver of the Debtor, provided however that notwithstanding its discharge herein, Spergel: (a) shall remain the Receiver for the performance of such incidental duties as may be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

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

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

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

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



SCHEDULE “A”

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

- and -

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

Respondents

DISCHARGE CERTIFICATE

RECITALS

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

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

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

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

THE RECEIVER CERTIFIES the following:

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

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

Per: _____

Name:

Title:

PACE SAVINGS & CREDIT UNION LIMITED

- and -

**NOBLE HOUSE DEVELOPMENT CORPORATION,
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Court File No. CV-20-00635946-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

DISTRIBUTION AND DISCHARGE ORDER

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Lawyers for the Receiver