

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

THE HONOURABLE Mr.)
JUSTICE KOEHNEN)
MONDAY, THE 22ND
DAY OF JUNE, 2020

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

- and -

1120044 ONTARIO INC.

Defendant

DISCHARGE ORDER

THIS MOTION, made by the defendant for an order:

1. discharging msi Spergel inc. as receiver (in such capacity, the “Receiver”) of the real property municipally known as 160 Cidermill Avenue, Units 23 and 24, Concord, Ontario [PIN 29265-0023 and PIN 29265-0024], including all proceeds thereof (the “Property”) conditional on payment-in-full of the Indebtedness (as defined in Schedule “A” attached hereto) owing to the plaintiff, Royal Bank of Canada (“RBC”) and others within eight (8) business days of such order (or such other date as the defendant and the plaintiff may agree in writing) and the issuance of the Receiver’s discharge certificate attesting to the payment of the Indebtedness and the completion of the Receiver’s administration as concerns the defendant;
2. approving the fees and disbursements of the Receiver and its counsel;

3. releasing msi Spergel inc. from any and all liability, as set out in paragraph 8 of this Order,

was heard this day by video conference by reason of the COVID-19 Pandemic.

ON READING the affidavit of John Groscki sworn June 15, 2020 and the Report of the Receiver dated June 18, 2020 (the "Final Report"), the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits"), and on hearing the submissions of counsel for the plaintiff, defendant and the Receiver, no one else appearing for any other person on the service list, although properly served as appears from the affidavit of Elissa Hines sworn June 16, 2020, filed

1. THIS COURT ORDERS that the activities of the Receiver, as set out in the Final Report, be and are hereby approved.

2. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the Final Report and the Fee Affidavits, be and are hereby approved. For greater certainty, the Fee Accrual (as defined in the Final Report) is also hereby approved.

3. THIS COURT ORDERS that the proposed refinancing to pay the Indebtedness be and is hereby approved, provided that the refinancing and payment of the Indebtedness is completed or before June 30, 2020 or such other date as RBC and the defendant may agree in writing, on notice to the Receiver ("the Transaction").

4. THIS COURT ORDERS that the interim statement of receipts and disbursements contained in the Final Report be and is hereby approved.

5. THIS COURT ORDERS that upon closing of the refinancing transaction contemplated by in paragraph 3 hereof, the payment of the Indebtedness and upon satisfactory proof to the receiver and/or RBC that source deductions and HST are current with respect to the defendant and RYT Hospitality Ltd. and John Groski CA Professional Corporation and upon the Receiver filing a certificate substantially in the form attached hereto as Schedule B hereto ("Receiver's Certificate") certifying that the Transaction has been completed to the satisfaction of the Receiver, the Indebtedness has been paid and that it has completed the other activities described in the Final Report, the Receiver shall be discharged as Receiver of the of the real property

municipally known as 160 Cidermill Avenue, Units 23 and 24, Concord, Ontario [PIN 29265-0023 and PIN 29265-0024], including all proceeds thereof provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of msi Spergel inc. in its capacity as Receiver.

6. THIS COURT ORDERS that, upon the receipt of sufficient funds to satisfy the totality of the Indebtedness from RYT Designs Ltd. or its agent (the “Funds”) pursuant to the closing of the Transaction, and following the payment by the Receiver of its fees, disbursements and those of the Receiver’s counsel (including, without limitation, the Fee Accrual) and the borrowing certificate in the sum of \$20,000 from the Funds, the Receiver be and is hereby authorized and directed to distribute the balance of the Funds as follows:

(a) \$1,017,975.36 plus the per diem as set out in Schedule A to Royal Bank of Canada;
and

(b) the remaining balance of the Funds, if any, to Miller Canfield, LLP, in trust.

7. THIS COURT ORDERS that upon being presented with an executed copy of the Receiver’s Certificate, the Land Registrar for Land Registry Office #65 the Land Registrar is hereby directed to delete and expunge from title to the Property the Orders bearing registration number YR3055218 in respect to PIN 29265-0023 and PIN 29265-0024 and the Charge and other documents bearing registration numbers YR1902119, YR1902133 and YR1902483 in respect of PIN 29265-0023 and YR1902119, YR1902133 and YR1902484 in respect of PIN 29265-0024.

8. THIS COURT ORDERS AND DECLARES that msi Spergel inc. is hereby released and discharged from any and all liability that msi Spergel inc. now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of msi Spergel inc. while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on

the Receiver's part. Without limiting the generality of the foregoing, msi Spergel inc. is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

9. THIS COURT ORDERS that, notwithstanding Rule 59.05, this order is effective from the date it is made and is enforceable without any need for entry and filing. In accordance with Rules 77.06(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing when the Court returns to regular operations.

10. THIS COURT ORDERS that the parties may apply to this court upon short notice for further directions if necessary with respect to any matter set out in this Order.

11. THIS COURT ORDERS that this order is effective from today's date and is not required to be entered.



SCHEDULE "A"
STATEMENT OF AMOUNT OWING
(as at June 22, 2020)

BORROWER	FACILITY	TOTAL PRINCIPAL AND INTEREST TO JUNE 22, 2020	PER DIEM
RYT Hospitality Ltd.	Demand Loan (Overdraft)	\$332.70	\$0.06
	Royal Credit Line	\$108,235.10	\$13.05
	Visa	\$13,079.46	\$5.75
John Groscki CA Professional Corporation	Royal Credit Line	\$48,256.38	\$5.82
	Fixed Rate Term Loan (Car Loan)	\$3,530.66 ¹	\$0.54
	Visa	\$13,257.13	\$5.83
TOTAL PRINCIPAL AND INTEREST:		\$186,691.43	
legal fees and disbursements billed (as at June 16, 2020):		\$28,245.14	
legal fees and disbursements unbilled, including an accrual of \$3,000 including HST for closing matters (as at June 22, 2020):		\$3,000.00	
TOTAL AMOUNT OWING (INCLUDING LEGALS) AS AT JUNE 22, 2020:		\$217,936.57*	

¹ This amount could be reduced by \$592.38 on June 18, 2020 provided the car loan payment due on June 17, 2020 clears.

BORROWER	FACILITY	TOTAL PRINCIPAL AND INTEREST TO JUNE 22, 2020	PER DIEM
1120044 Ontario Inc.	Matured Variable Rate Term	\$705,981.30	\$78.60
TOTAL PRINCIPAL AND INTEREST:		\$705,981.30	
LESS \$1,635.73 (\$992.85 as per Reasons of the Honourable Mr. Justice Penny dated December 18, 2019 and \$642.88 (164 days at \$3.92 per diem) from January 11, 2020 to June 22, 2020)		(\$1,635.73)	
		704,345.57	
legal fees and disbursements billed (as at June 16, 2020):		\$91,127.03	
legal fees and disbursements unbilled, including an accrual of \$3,000 including HST for closing matters (as at June 22, 2020):		\$4,566.19	
TOTAL AMOUNT OWING (INCLUDING LEGALS) AS AT JUNE 22, 2020:		\$800,038.79*	
GRAND TOTAL AS AT JUNE 22, 2020: (total amount owing by RYT Hospitality Ltd. and John Groscki CA Professional Corporation (\$217,936.57) as at June 22, 2020 PLUS total amount owing by 1120044 Ontario Inc. (\$800,038.79) as at June 22, 2020)		\$1,017,975.36	

TO BE CERTAIN, "INDEBTEDNESS" AS REFERRED TO IN THE ORDER OF THE HONOURABLE MR. JUSTICE KOEHNEN DATED JUNE 22, 2020 INCLUDES: (I) ALL OF THE AMOUNTS OWING TO ROYAL BANK OF CANADA AS SET OUT HEREIN AND (II) ALL AMOUNTS OWING TO THE RECEIVER AND ITS COUNSEL AND THE BORROWING CERTIFICATES IN FAVOUR OF THE RECEIVER.

TO BE CERTAIN, THIS SCHEDULE "A" IS ONLY CURRENT TO JUNE 22, 2020 AND IF THE INDEBTEDNESS IS REPAYED AFTER JUNE 22, 2020 PER DIEM INTEREST MUST BE ADDED TO THE INDEBTEDNESS.

*E. & O. E.

SCHEDULE "B"

Court File No. CV-19-627802-00CL

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

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

- and -

1120044 ONTARIO INC.

Defendant

RECEIVER'S CERTIFICATE

RECITAL

1. On October 31, 2019 this Honourable Court appointed msi Spergel inc. receiver (the "Receiver") of the of the real property municipally known as 160 Cidermill Avenue, Units 23 and 24, Concord, Ontario [PIN 29265-0023 and PIN 29265-0024], including all proceeds thereof (the "Property")
2. Pursuant to an Order of the Court dated June 22, 2020 (the "Refinancing Approval and Discharge Order") this Honourable Court authorized the defendant to enter into a certain financing agreement specified in the Refinancing Approval and Discharge Order and provided for the removal of certain encumbrances, described in the Refinancing Approval and Discharge Order on title to the real property municipally known as 160 Cidermill Avenue, Units 23 and 24, Concord, Ontario [PIN 29265-0023 and PIN 29265-0024], including all proceeds thereof (the "Property") effective upon the delivery by the Receiver to the plaintiff of a certificate upon closing of the refinancing transaction described in paragraph 5 of the Refinancing Approval and Discharge Order closed and payment of the Indebtedness("Certificate Conditions").

THE RECEIVER CERTIFIES the following:

1. The Certificate Conditions have been satisfied;
2. This Certificate was delivered by the Receiver at _____[Time] on _____ [Date].

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

Per: _____
Name:

ROYAL BANK OF CANADA
Plaintiff

v. **1120044 ONTARIO INC.**
Defendant

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at TORONTO

DISCHARGE ORDER

JAMES H. COOKE
MILLER CANFIELD LLP
Barristers & Solicitors
100 Ouellette Avenue, 13th Floor
Windsor, Ontario N9A 6T3
Telephone: (519) 946-2123
Facsimile: (519) 946-2133
LSO #25733P

Lawyers for the Defendant