Court File No. CV-19-00080328-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP OF CASABELLA SUBSIDIARY LIMITED PARTNERSHIP and 7061358 CANADA INC. of the City of Ottawa, Province of Ontario

BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

and

CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7061358 CANADA INC.

Respondents

SECOND AND FINAL REPORT OF MNP LTD., IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7601358 CANADA INC.

SEPTEMBER 15, 2020

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INTRODUCTION AND BACKGROUND

1. 7061358 Canada Inc ("**706 Inc.**") is a federally incorporated company with its registered office address located in Ottawa, Ontario

2. Casabella Subsidiary Limited Partnership ("**Casabella**") is a limited partnership and the operating entity of 706 Inc. with its registered office address located in Ottawa, Ontario

3. 706 Inc. and Casabella (collectively, the "**Companies**") are managed and controlled by Mr. Edward Sawaya. The Companies owned and operated an 8 unit residential condominium project located at 4538, 4540, 4542, 4544, 4546, 4548, 4550 and 4552 Innes Road, Orleans, Ontario (the "**Real Property**").

4. The Companies are indebted to Harbouredge Mortgage Investment Corporation ("**Harbouredge**" or the "**Lender**"), its senior secured creditor, with respect to certain credit facilities granted by the Lender pursuant to and under the terms of various credit and security agreements contained as Exhibits C, D, G, H and I to the Receivership Application Record (the "**Application Record**") dated May 28, 2019 (collectively the "**Security**").

5. As reported in the Application Record, the Companies' obligations to the Lender pursuant to the above loans and the Security (the "**Indebtedness**") totaled $7,620,803.59 as at April 1, 2019 (excluding the redemption of supporting security, interest and fees accrued since).

6. The Security provides for the appointment of a receiver in the event of default by the Companies under the Security.

7. The financial performance of the Companies began to deteriorate in 2017. On April 30, 2017, Harbouredge entered into a forbearance agreement with the Companies, which is contained at Exhibit F of the Application Record.

8. The Companies had not sold the Real Property as required by the forbearance agreement and Harbouredge agreed to extend the original forbearance agreement. The Companies and Harbouredge entered into an amended forbearance agreement dated October 20, 2017, which expired on February 28, 2018. A copy of the amended forbearance agreement is contained as Exhibit E of the Application Record.

9. By March 1, 2018, the full amount of the authorized principal in the amount of $6,675,000 was drawn by the Companies.

10. The only time that the Companies made any direct payments to Harbouredge was on August 22, 2014 on account of interest in the amount of $9,912.10. Since that date, the only other reduction of the Indebtedness was as a result of applying the balance of certain holdback funds on May 1, 2018 in the amount of $33,652.01.

11. On August 4, 2015, a property owned by a company related to the Companies was sold and proceeds in the amount of $439,270.72 were provided to Harbouredge as a payment to reduce the Indebtedness.

12. On October 16, 2018, Harbouredge made written demand for payment on the Companies to satisfy the Indebtedness, which demand is contained as Exhibit N of the Application Record.

13. On November 20, 2018, Harbouredge delivered to the Companies Notices of Intention to Enforce Security in accordance with s. 244 of the *Bankruptcy and Insolvency Act* ("**BIA**"), along with a notice of sale under the mortgage, which are contained as Exhibits P and Q of the Application Record.

14. On February 5, 2019, Harbouredge served notices to attorn rents on the residential tenants occupying the Real Property.

15. On June 19, 2019, Harbouredge brought an application for the appointment of MNP Ltd. ("**MNP**") as the receiver of the Companies for the protection of the interests of Harbouredge and other stakeholders.

16. By Order of this Honourable Court dated June 19, 2019 (the "**Receivership Order**"), MNP was appointed receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Companies used in relation to their businesses, including all proceeds thereof (the "**Property**", which is taken to include the Real Property). A copy of the Receivership Order is attached at **Appendix "1"**.

17. The First Report (without appendices) is attached as **Appendix "2"**.

18. Pursuant to the Order of the Honourable Madam Justice Sally Gomery dated April 9, 2020, (the "**Approval Order**") the Receiver was authorized to proceed with the completion of the Sales Transaction (as defined below) for the sale of the Real Property and to make an initial distribution to Harbouredge in the amount of $1,900,000.00. Attached as **Appendix "3"** is a copy of the Approval Order, along with a copy of the ancillary order issued on the that same day.

19. The prescribed notices and statements of the Receiver pursuant to ss. 245(1) and 246(1) of the BIA were sent to the Companies' creditors. A copy of this notice is attached at **Appendix "4"**.

PURPOSE OF THIS REPORT

20. The purpose of this second and final report of the Receiver to the Court (the "**Final Report**") is to:

    (a) report on the activities of the Receiver since the First Report;

    (b) seek the Court's approval of the activities and conduct of the Receiver and that of its legal counsel as described in the Final Report;

    (c) seek the Court's approval of the professional fees and disbursements of the Receiver and of its legal counsel;

    (d) seek the Court's approval of the Receiver's final statement of receipts and disbursement;

    (e) seek the Court's approval and direction for the Receiver to distribute the remaining funds in the Companies' estate to the Harbouredge on account of its Indebtedness; and

    (a) obtain the Court's approval for the release and discharge of the Receiver, including as a term of the Order discharging it, the release and discharge of the Receiver from any and all liability which the Receiver now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver, save and except for any gross negligence or willful misconduct on the Receiver's part.

21. All amounts referred to in the Final Report are in Canadian dollars unless otherwise noted.

NOTICE TO READER

22. This Final Report is prepared solely for the use of the Court, for the purpose of assisting the Court in making a determination of whether to approve the relief being sought.

23. In preparing this Final Report, the Receiver has relied upon information from third party sources (collectively, the "**Information**"). Certain of the information contained herein may refer to, or be based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Honourable Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy and completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook.

RECEIVERSHIP ACTIVITIES FOLLOWING THE APPROVAL ORDER

24. Since the date of the First Report, the Receiver has undertaken the following actions in accordance with the Appointment Order and Approval Order:

    (a) completed the Sales Transaction for the sale of the Real Property in accordance with the Approval Order;

    (b) directed its legal counsel to wire the approved distribution in the amount of $1,900,000.00 to Harbouredge;

    (c) arranged for the property manager to transfer keys to the purchaser;

    (d) paying the outstanding City of Ottawa municipal tax invoices;

    (e) arranged for the termination of utilities in respect of the Real Property or for the transfer of accounts to the purchaser;

    (f) arranged for the termination of the insurance in respect of the Real Property and the return of excess premiums; and

    (g) obtained an updated payout statement from Harbouredge in respect of the amount owing to it pursuant to its secured claim.

THE REAL PROPERTY

25. On the Receivership date, six of the eight residential units were occupied and the relationship with the tenants was being managed by the property manager on behalf of Harbouredge who had attorned the rents.

26. The Receiver and property manager continued to manage the Property to the date the Sales Transaction closed on April 20, 2020.

27. Prior to the closing of the Sales Transaction, the City of Ottawa levied its municipal tax assessments which were paid upon closing from the proceeds of sales.

THE SALES AGREEMENT AND TRANSACTION

28. On February 11, 2020, the Receiver accepted the final offer to purchase ("**Sales Agreement**"), which was attached as Confidential Appendix "D" to the First Report. The Sales Agreement provided that it was unconditional, provided for a $100,000.00 deposit and that it was binding, and that the closing (the "**Sales Transaction**") was subject to approval of the Court.

29. On April 27, 2020, the Sales Transaction closed pursuant to the Sales Agreement and the Approval Order.

RENTAL OPERATIONS

30. As at April 27, 2020, the total rental receipts from the Real Property residential leases were $115,747.00, which has resulted in an operating surplus of $74,509.00 before professional fees and property taxes.

PRIORITY AND SECURED CLAIMS

Priority Claims

31. The Receiver is not aware of any claims that would rank in priority to Harbouredge's secured mortgage claim.

32. On February 4, 2020, representatives for Harbouredge received a letter from Canada Revenue Agency advising that the Companies had been assessed $340,540.36 for HST.

Attached at Appendix "9" of the First report is the letter issued by Canada Revenue Agency.

Secured Claims

33. The PPSA search results for Casabella dated March 2, 2020 report that the only secured creditor of Casabella's is Harbouredge. A copy of the PPSA search results is attached at Appendix "10" of the First Report.

34. The PPSA search results for 706 Inc. dated March 2, 2020 report that Harbouredge and the Guarantee Company of North America are the only registered secured creditors in respect of 706 Inc. A copy of the PPSA search results is attached at Appendix "11" of the First Report.

35. The City of Ottawa issued tax assessments totaling $59,178.00 in April 2020 which were paid on closing of the Sales Transaction.

36. The parcel registers for the Real Property confirm that Harbouredge registered a first-ranking charge on title of the Real Property on August 21, 2014. A copy of the parcel registers for the Real Property dated February 28, 2020 is attached at Appendix "12" of the First Report. The parcel registers also confirm the following subsequent registrations on title to the Real Property (all of which are subordinate to Harbouredge's mortgage security):

    a) Narinder Dev Uppal;

    b) Maurice Yelle Excavation Limited; and

    c) 1313779 Ontario Inc. and 7577010 Canada Inc.

37. Legal counsel for the Receiver has prepared and provided the Receiver with a legal opinion regarding the validity and enforceability of the security held by Harbouredge, a copy of which was attached as Appendix "13" to the First Report.

38. Based on the legal opinion, it appears that Harbouredge's security is valid and enforceable as against the Real Property and creates a first ranking charge. Harbouredge's mortgage is a first-ranking mortgage in the principal amount of $6,750,00.00, which encumbers title to the Real Property.

39. Harbouredge provided the Receiver with an updated statement of account in respect of the Companies' Indebtedness to Harbouredge as of August 31, 2020. As of this date, the outstanding balance owing to Harbouredge was $4,476,239.62 plus ongoing interest, and legal costs. The Harbouredge statement of account is attached at **Appendix "5"**.

40. Harbouredge held additional security granted by a related corporation on another property in support of the Companies' Indebtedness. This property was sold after March 6, 2020 and Harbouredge received a further $1,273,800.00 which was applied to the outstanding Indebtedness.

41. In light of the foregoing, the Receiver will be seeking the authorization of the Court to make a final distribution to Harbouredge for the remaining funds held by the Receiver, after all approved professional fees are paid, to be applied against the Indebtedness.

FUNDS AVAILABLE FOR DISTRIBUTION

42. A copy of the Receiver's Final Statement of Receipts and Disbursements ("**Final Statement**") is attached hereto at **Appendix "6"**.

PROFESSIONAL FEES

43. Pursuant to paragraph 16 of the Receivership Order, the fees and disbursements of the Receiver and its legal counsel 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.

44. Pursuant to paragraph 18 of the Appointment Order, the Receiver is entitled to apply reasonable amounts out of the monies in its hands to satisfy its professional fees and disbursements and those of its counsel, and such amounts are to constitute advances against its remuneration and disbursements when and as approved by the Court.

45. Attached as **Appendix "7"** hereto is the Affidavit of John Haralovich sworn on September 4, 2020, in support of the fees and disbursements of the Receiver for the period from June 19, 2019 to September 15, 2020 along with the projected costs to complete the administration of the Receivership totaling $39,543.00, plus HST. The Receiver estimates an additional $2,000.00 plus HST to conclude the administration of the Receivership.

46. Attached as **Appendix "8"** hereto is the Affidavit of Roxanne Chapman, sworn on September 11, 2020, in support of the fees and disbursements of the Receiver's counsel for the period up to and including September 11, 2020 totaling $41,598.68, inclusive of HST, plus an estimated additional $5,000.00 plus HST to conclude the administration of the Receivership.

COMPLETION OF THE RECEIVERSHIP

47. As the Receiver's administration of this estate is substantially complete, the Receiver is presently seeking an Order discharging MNP from the powers, duties and obligations attendant to its appointment as Receiver. The Receiver is proposing that the discharge Order become effective on the day that the Receiver files with the Court a certificate in which the Receiver certifies that it has distributed all funds in its possession, prepared a final statement of receipts and disbursements, a copy of which is to be attached to the Receiver's certificate, and has completed its administration of the receivership.

SUMMARY AND RECOMMENDATIONS

48. For the reasons outlined above, the Receiver respectfully recommends that this Court grant the Receiver's request for an Order providing for, amongst other things:

    (a) If necessary, abridging the time for and validation of service of the Notice of Motion and Motion Record herein;

    (b) Approving the Receiver's Final Report, and the activities and conduct of the Receiver and of its legal counsel since its appointment, all as recited in the Final Report;

    (c) Approving the payment of the fees and disbursements of the Receiver and Receiver's counsel;

    (d) Approving the Receiver's Final Statement;

    (e) Approving the Receiver distributing the remaining estate receivership funds to Harbouredge; and

    (f) Discharging and releasing MNP from the powers, duties and obligations attendant to its appointment as Receiver, effective upon the filing of the

Receiver's Discharge Certificate indicating that the Receiver has completed its administration.

This Final Report is respectfully submitted to the Honourable Court as of this 15th day of September 2020.

MNP LTD.,

In Its capacity as Court-Appointed Receiver of
Casabella Subsidiary Limited Partnership and 7061358 Canada Inc.
and not in its personal or corporate capacity
Per:

John P. Haralovich, CPA, CA, CIRP, CMA
Senior Vice President

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ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE MADAM	)	WEDNESDAY, THE 19TH DAY
	)	
JUSTICE SALLY A. GOMERY	)	OF JUNE, 2019.

BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

- and –

CASABELLA SUBSIDIARY LIMITED PARTNERSHIP and 7061358 CANADA INC.

Respondents

ORDER

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 MNP Ltd. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties (the "Property") of the Respondents (hereinafter the "Debtors"), was heard this day at the Courthouse, 161 Elgin Street, Ottawa, Ontario, K2P 2K1.

ON READING the Notice of Application, the Affidavit of Tim Dwyer, sworn on April 17, 2019 and the Exhibits thereto, the Factum and Authorities of the Applicant, on hearing the submissions of counsel for the parties, no one appearing on behalf of any other creditors on the Service List although duly served as appears from the Affidavits of Service of Roxanne Chapman sworn on June 3, 2019 and June 7, 2019 and on reading the consent of MNP Ltd., dated April 17, 2019, to act as the Receiver in respect of the assets of the Respondent referred to herein,

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, MNP Ltd. is hereby appointed Receiver, without security, of all of the Debtors' 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 undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;

(j) 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;

(k) 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;

(l) 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 $250,000, provided that the aggregate consideration for all such transactions does not exceed $1,000,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

(m) 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;

(n) 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;

(o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(p) 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;

(q) 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;

(r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

(s) 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 its 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 Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor'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 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, 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 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 normal 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 $ 50,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to

the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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" 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.

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's creditors or other interested parties at their respective addresses

as last shown on the records of the Debtor 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, por 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.

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 Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff'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.

ENTERED AT OTTAWA
INSCRIT A OTTAWA

ON/LE JUN 19 2019

DOCUMENT 0411
IN BOOK 73-13
AU REGISTRE NO. 73-13

J.

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of all of the assets, undertakings and properties of the Debtors, acquired for, or used in relation to the Property appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 19th day of June, 2019 (the "Order") made in an action having Court file number CV-19-000-80328-0000, 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 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 _____, 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_____.

[_____]

By: _____
Name:
Title:
Debtors/Firm:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION
Applicant

-and-

CASABELLA SUBSIDIARY LIMITED PARTNERSHIP et al.
Respondents

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43 and s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the *Personal Property Security Act*, R.S.O. 1990, c. P.10 and Rules 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

Court File No. CV-19-000-80328-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT OTTAWA

ORDER

VICTOR L. VANDERGUST PROFESSIONAL CORPORATION
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Lawyers for the Applicant, HarbourEdge Mortgage Investment Corporation

2

Court File No. CV-19-00080328-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

and

CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7061358 CANADA INC.

Respondents

**FIRST REPORT OF MNP LTD., IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF
CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7601358 CANADA INC.**

MARCH 10, 2020

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INTRODUCTION AND BACKGROUND

1. 7061358 Canada Inc ("**706 Inc.**") is a federally incorporated company with its registered office address located in Ottawa, Ontario

2. Casabella Subsidiary Limited Partnership ("**Casabella**") is a limited partnership and the operating entity of 706 Inc. with its registered office address located in Ottawa, Ontario

3. 706 Inc. and Casabella (collectively, the "**Companies**") are managed and controlled by Mr. Edward Sawaya (the "**Director**"). The Companies own and operated an 8 unit residential condominium project located at 4538, 4540, 4542, 4544, 4546, 4548, 4550 and 4552 Innes Road, Orleans, Ontario (the "**Real Property**").

4. The Companies are indebted to Harbouredge Mortgage Investment Corporation ("**Harbouredge**" or the "**Lender**"), its senior secured creditor, with respect to certain credit facilities granted by the Lender pursuant to and under the terms of various credit and security agreements contained as Exhibits C, D, G, H and I to the Receivership Application Record (the "**Application Record**") dated May 28, 2019 (the "**Security**").

5. As reported in the Application Record, the Companies' obligations to the Lender pursuant to the above loans and the Security (the "**Indebtedness**") totaled $7,620,803.59 as at April 1, 2019 (excluding the redemption of supporting security, interest and fees accrued since).

6. The Security provides for the appointment of a receiver in the event of default by the Companies under the Security.

7. The financial performance of the Companies began to deteriorate in 2017. On April 30, 2017, Harbouredge entered into a forbearance agreement with the Companies, which is contained at Exhibit F of the Application Record.

8. The Companies had not sold the Real Property as required by the forbearance agreement and Harbouredge agreed to extend the original forbearance agreement. The Companies and Harbouredge entered into an amended forbearance agreement dated October 20, 2017, which expired on February 28, 2018. A copy of the amended forbearance agreement is contained as Exhibit E of the Application Record.

9. By March 1, 2018, the full amount of the authorized principal in the amount of $6,675,000 was drawn by the Companies.

10. The only time that the Companies made any direct payments to Harbouredge was on August 22, 2014 on account of interest in the amount of $9,912.10. Since that date, the only other reduction of the Indebtedness was as a result of applying the balance of certain holdback funds on May 1, 2018 in the amount of $33,652.01.

11. On August 4, 2015, a property owned by a company related to the Companies was sold and proceeds in the amount of $439,270.72 were provided to Harbouredge as a payment to reduce the Indebtedness.

12. On October 16, 2018, Harbouredge made written demand for payment on the Companies to satisfy the Indebtedness, which demand is contained as Exhibit N of the Application Record.

13. On November 20, 2018, Harbouredge delivered to the Companies Notices of Intention to Enforce Security in accordance with s. 244 of the *Bankruptcy and Insolvency Act* ("**BIA**"), along with a notice of sale under the mortgage, which are contained as Exhibits P and Q of the Application Record.

14. On February 5, 2019, Harbouredge severed notices to attorn rents on the residential tenants occupying the Real Property.

15. On June 19, 2019, Harbouredge brought an application for the appointment of MNP Ltd. ("**MNP**") as the receiver of the Companies for the protection of the interests of Harbouredge and other stakeholders.

16. By Order of this Honourable Court dated June 19, 2019 (the "**Receivership Order**"), MNP was appointed receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Companies used in relation to their businesses, including all proceeds thereof (the "**Property**", which is taken to include the Real Property). A copy of the Receivership Order is attached at **Appendix "1"**.

PURPOSE OF THIS REPORT

17. The purpose of this first report of the Receiver to the Court (the "**First Report**") is to:

(a) report on the activities of the Receiver since its appointment pursuant to the Receivership Order;

(b) seek the Court's approval of the activities and conduct of the Receiver and that of its legal counsel as described in the First Report;

(c) seek the Court's approval of the Sales Agreement (as defined below) and of the Sales Transaction (as defined below) and the conveyance of the Real Property to the purchaser thereof and vesting title to the Real Property in the purchaser;

(d) seek the Court's approval to seal certain confidential appendices to the First Report;

(e) seek the Court's approval of the Receiver's Statement of Receipts and Disbursements; and

(f) seek the Court's approval in respect of an interim distribution to Habouredge in the amount of $1,900,000.00 on account of its first-ranking mortgage and secured claim.

18. All amounts referred to in the First Report are in Canadian dollars unless otherwise noted.

NOTICE TO READER

19. This First Report is prepared solely for the use of the Court, for the purpose of assisting the Court in making a determination of whether to approve the relief being sought.

20. In preparing this First Report, the Receiver has relied upon information from third party sources (collectively, the "**Information**"). Certain of the information contained herein may refer to, or be based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Honourable Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy and completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook.

INITIAL RECEIVERSHIP ACTIVITIES

21. Immediately following the granting of the Receivership Order on June 19, 2019 (the "**Receivership Date**"), the Receiver attended at the Real Property to take possession of and secure the Property. The initial activities of the Receiver included:

    (a) notifying the property manager of MNP's appointment as Receiver;

    (b) obtaining a copy of the property management agreement;

    (c) attending at the Real Property with the property manager;

    (d) directing the property manager to advise tenants of the appointment of the Receiver and to continue to report to the property manager;

    (e) obtaining insurance for the Real Property;

    (f) providing copy of the Receivership Order to the Companies' Director;

    (g) requesting relevant information from the books and records of the Companies;

    (h) responding to creditor inquiries; and

    (i) preparing and issuing the prescribed notices and statements of the Receiver pursuant to ss. 245(1) and 246(1) of the BIA, which were sent to the Companies' creditors. A copy of this notice is attached at **Appendix "2"**.

THE REAL PROPERTY, THE APPRAISALS AND THE LISTING

22. On the Receivership Date, six of the eight residential units were occupied and the relationship with the tenants was being managed by the property manager on behalf of Harbouredge who had attorned the rents. A copy of the agreement with the property manager is attached hereto at **Appendix "3"**.

23. As of the Receivership Date, there were no amounts outstanding from tenants.

24. On May 24, 2017, the Companies provided Harbouredge with an appraisal of the Real Property completed by Affiliated Property Group in order to support further advances from Harbouredge. This appraisal estimated the value for the completed units to be $420,000.00 per unit. The appraisal was conducted prior to the completion of the construction and occupation of the 8 units and well before the Receivership Date.

25. As a result, on January 21, 2019, Harbouredge obtained an appraisal from Colliers International (the "**Colliers Appraisal**"). A copy of the Colliers Appraisal is attached as **Confidential Appendix "A"**.

26. On June 10, 2019, Harbouredge obtained an appraisal from Harman Appraisal Services (the "**Harman Appraisal**"). A copy of Harman Appraisal is attached at **Confidential Appendix "B"**.

27. The Receiver concluded that no other appraisals were required since the Colliers Appraisal and the Harman Appraisal were within months of the Receiver's appointment. Further, the Receiver concluded that it could rely on the Colliers Appraisal and the Harman Appraisal since they were completed by reputable and licensed commercial real estate appraisers.

28. Harbouredge had retained Avison Young ("**Avison**") to sell properties that were owned by corporations related to the Companies, but not subject to these receivership proceedings.

29. As a result, the Receiver requested a listing proposal from Avison to market and sell the Real Property.

30. On June 25, 2019, Avison provided the Receiver with a listing proposal, a copy of which is attached hereto as **Appendix "4"**.

31. Avison reports in the "Pricing and Disposition Strategy" of its listing proposal that the Companies had previously attempted to sell the real property units on an individual basis in the range of $455,000.00 to $525,000.00 per unit with no success.

32. The listing proposal set out the uniqueness of the Real Property and suggested that the location of the Real Property on a high traffic roadway could be a limiting factor.

33. The Receiver consulted with representatives of Harbouredge who expressed to the Receiver their support of the Receiver to entering into a listing agreement with Avison having a listing price of $3,750,000.00 as recommended by Avison.

34. As a result and given the favourable terms contained in the listing agreement and that Avison is a reputable, competent and licensed commercial real estate broker, on June

28, 2019, the Receiver selected Avison to list and market the Real Property. A copy of the listing agreement is contained at **Appendix "5".** The Real property was listed for sale at $3,750,000.00.

35. When the Receiver took possession of the Real Property two units were vacant. Over the course of the summer and early fall two additional rental units became vacant because one spouse of each family passed away leaving the surviving spouse with limited income to manage the current monthly rent. The Receiver agreed to allow the tenants to terminate the leases without penalty.

36. The property manager continued to market the vacant units, however, the monthly rent and location of the Real Property did not make the units attractive to families with children and to those families who wanted green space.

37. The property manager was able to secure two new tenants who both entered a one-year leases in the fall of 2019.

MARKETING OF REAL PROPERTY AND RESULTS

38. The marketing flyer prepared by Avison was approved by the Receiver on July 8, 2019. A copy of this marketing flyer is attached at **Appendix "6"**.

39. The marketing process and the results of the marketing process are detailed in **Confidential Appendix "C"** and a redacted copy is attached at **Appendix "7"**.

40. Highlights of Avison's marketing process in respect of the sale of the Real Property are as follows:

    a) Avison went to market and asked all interested parties to submit offers to purchase on July 16, 2019;

    b) 45 parties made inquiries, 12 of which were represented by other realtors, and there were 14 site visits (complete list of inquiries is attached in Avison's report);

    c) There were 1,137 direct hits on the Loopnet web site (a commercial real estate marketing site), and in Loopnet searches the listing had been presented 42,784 times;

d) Three (3) offers were received during the marketing process, which initially expired on August 28, 2019;

e) the Receiver rejected the offers and requested that parties resubmit offers. None of the parties provided any amended offers and advised they were maintaining their offers as submitted;

f) in early October 2019, the listing price was therefore reduced to $3,200,000.00 given the results of the first three offers and given that no other offers were presented;

g) on October 9, 2019, one of the original bidders provided an amended offer to purchase, which Harbouredge supported, subject to the buyer's conditions;

h) on December 9, 2019, the conditional period in the above offer expired, and the prospective purchaser submitted a new offer at a lower amount and wanted a further 60-day conditional period. The Receiver elected to allow the Real Property to remain open for offers and rejected the prospective purchaser's new offer to purchase the Real Property;

i) on December 13, 2019, a new party submitted an offer to purchase the Real Property which Harbouredge confirmed it supported. The offer had a 30-day conditional period;

j) on January 13, 2020, the prospective purchaser advised Avison that the property inspection identified key structural deficiencies that the City of Ottawa identified. Notwithstanding these deficiencies, the City of Ottawa issued the necessary completion permits without requiring the Companies to remedy the deficiencies; and

k) the prospective purchaser requested a purchase price reduction of $50,000.00 to allow for the remedial work to correct these structural deficiencies. The Receiver consulted with Harbouredge and it supported the proposed price reduction.

THE SALES AGREEMENT AND TRANSACTION

41. On February 11, 2020, the Receiver accepted the final offer to purchase ("**Sales Agreement**"), which is attached as **Confidential Appendix "D"** and as **Appendix "8"** (in which the purchaser's identity and the purchase price were redacted). The Sales Agreement provides that it is unconditional, provides for a $100,000.00 deposit and that it is binding, and that the closing (the "**Sales Transaction**") is subject to approval of the Court.

42. The Receiver recommends that the Sales Transaction be approved by this Honourable Court for the following reasons:

    a) the Real Property was exposed widely to the marketplace for approximately six months in a manner that is common for properties of this nature and was listed for sale with a professional and licensed commercial real estate broker that is well known in the market;

    b) the Sales Agreement is unconditional, and the purchase price is in line with the average appraised value of the Real Property;

    c) the purchase price is within a reasonable range of the Colliers Appraisal and the Harman Appraisal, and greater than the other offers received by the Receiver to date;

    d) the Receiver does not believe that further marketing of the Real Property will result in a superior offer;

    e) there are currently no other offers to consider; and

    f) the Sales Transaction that is the subject of the Sales Agreement is provident and a favourable outcome for the estate and followed a thorough, impartial and fair sales process that fully tested the market.

RENTAL OPERATIONS

43. As of February 28, 2020, the total rental receipts from the Real Property residential leases were $77,062.00, which has resulted in an operating surplus of $29,458.00.

44. The Receiver did obtain and initial advance from Harbouredge and accordingly issued a Receiver's Certificate. The Receiver repaid the advance on January 20, 2020 and terminated the Receiver's Certificate.

ONGOING OPERATIONS

45. The Receiver will continue to operate the rental units with the assistance of the property manager until the Sales Transaction is closed.

PRIORITY AND SECURED CLAIMS

Priority Claims

46. The Receiver is not aware of any claims that would rank in priority to the secured creditors.

47. On February 4, 2020, representatives for Harbouredge received a letter from Canada Revenue Agency advising that the Companies had been assessed $340,540.36 for HST. Attached at **Appendix "9"** is a copy of this letter issued by Canada Revenue Agency.

Secured Claims

48. The PPSA search results for Casabella dated March 2, 2020 report that the only secured creditor of Casabella's is Harbouredge. A copy of the PPSA search results is attached hereto at **Appendix "10"**.

49. The PPSA search results for 706 Inc. dated March 2, 2020 report that Harbouredge and the Guarantee Company of North America are the only registered secured creditors in respect of 706 Inc. A copy of the PPSA search results is attached hereto at **Appendix "11"**.

50. The City of Ottawa has not yet issued a property tax assessment from the period when the Real Property was development land converted to residential condominium rental units. The Receiver will need to holdback sufficient funds to ensure that property taxes at the date the Sales Transaction closes are paid. The Receiver will therefore holdback $100,000.00 from the net closing funds to satisfy property taxes due.

51. The parcel registers for the Real Property confirm that Harbouredge registered a first-ranking charge on title of the Real Property on August 21, 2014. A copy of the parcel

registers for the Real Property dated February 28, 2020 is attached hereto at **Appendix "12"**. The parcel registers also confirm the following subsequent registrations on title to the Real Property (all of which are subordinate to Harbouredge's mortgage security):

a) Narinder Dev Uppal;

b) Maurice Yelle Excavation Limited; and

c) 1313779 Ontario Inc. and 7577010 Canada Inc.

52. Legal counsel for the Receiver has prepared and provided the Receiver with a legal opinion regarding the validity and enforceability of the security held by Harbouredge, a copy of which is attached hereto at **Appendix "13"**.

53. Based on the legal opinion, it appears that Harbouredge's security is valid and enforceable as against the Real Property and creates a first ranking charge. Harbouredge's mortgage is a first-ranking mortgage in the principal amount of $6,750,00.00, which encumbers title to the Real Property.

54. Harbouredge provided the Receiver with an updated statement of account in respect of the Companies' indebtedness to Harbouredge as of March 6, 2020. As of this date, the outstanding balance owing to Harbouredge was $7,650,040.33 plus ongoing interest, and legal costs. The Harbouredge statement of account is attached at **Appendix "14"**.

55. In light of the foregoing, the Receiver will therefore be seeking the authorization of the Court to make an interim distribution to Harbouredge in the amount of $1,900,000.00 to be applied against the Indebtedness.

FUNDS AVAILABLE FOR DISTRIBUTION

56. A copy of the Receiver's Interim Statement of Receipts and Disbursements ("**Interim Statement**") is attached hereto at **Appendix "16"**. It confirms that receipts exceed disbursements by $29,458.00 to the date of this report.

57. Considering the foregoing, the Receiver recommends making a distribution to Harbouredge in the amount of $1,900,000.00 and for the Receiver to hold the remaining amounts until the final report to the Court is filed.

(c) Approving the Sales Agreement and Sales Transaction, and the conveyance of the Real Property to the purchase and vesting title of the Real Property in the purchaser;

(d) Approving the sealing of the confidential appendices to the First Report pending the closing of the Sales Transaction or further Order of this Court;

(e) Approving the Receiver's Interim Statement of Receipts and Disbursements; and

(f) approving a distribution to Harbouredge in the amount of $1,900,000.00

This First Report is respectfully submitted to the Honourable Court as of this 10th day of March 2020.

MNP LTD.,

In Its capacity as Court-Appointed Receiver of
Casabella Subsidiary Limited Partnership and 7061358 Canada Inc.
and not in its personal or corporate capacity
Per:

John P. Haralovich, CPA, CA, CIRP, CMA
Senior Vice President

3

Court File No.: CV-19-00080328-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP OF CASABELLA SUBSIDIARY LIMITED PARTNERSHIP and 7061358 CANADA INC. of the City of Ottawa, in the Province of Ontario

THE HONOURABLE	)	**THURSDAY, the 9TH DAY**
	)	
MADAM JUSTICE SALLY GOMERY	)	**OF APRIL, 2020.**

BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

- and –

CASABELLA SUBSIDIARY LIMITED PARTNERSHIP and 7061358 CANADA INC.

Respondents

ORDER

THIS MOTION made by MNP Ltd. in its capacity as the Court-Appointed Receiver (the "**Receiver**") of the assets, undertakings and properties (the "**Property**") of the Respondents, Casabella Subsidiary Limited Partnership and 7061358 Canada Inc. (the "**Debtors**"), for an Order, *inter alia*:

1. If necessary, dispensing with service and/or declaring that service of this motion has been validly effected on all necessary parties and declaring that this motion is properly returnable on Thursday, April 9, 2020;

2. Approving the Receiver's First Report to the Court dated March 10, 2020 (the "**First Report**"), and the activities and conduct of the Receiver and its legal counsel since its appointment;

3. Approving the Sales Transaction and the Sales Agreement (as these terms are described and defined in the First Report) and the execution of the Sales Agreement by the Receiver;

4. Vesting in the Purchaser (as defined in the First Report) the Debtors' right, title and interest in the assets described in the Sales Agreement (the "**Purchased Assets**") and vesting title in the Purchased Assets to the Purchaser free and clear of any claims, liens and encumbrances;

5. Sealing confidential appendices "A", "B", "C" and "D" to the First Report (the "**Confidential Appendices**");

6. Approving the Receiver's interim statements of receipts and disbursements (the "**Interim SRD**"); and

7. In the event the Transaction closes and the Receiver receives the sale proceeds from the Purchaser (the "**Sale Proceeds**"), authorizing and directing the Receiver to make an interim distribution from the Sale Proceeds to HarbourEdge Mortgage Investment Corporation ("**HarbourEdge**") in the amount of $1,900,000.00 on account of HarbourEdge's first-ranking mortgage security in respect of the Real Property (as defined in the First Report);

was heard this day at the Courthouse, 161 Elgin Street, Ottawa, Ontario.

ON READING the Notice of Motion and the First Report, and the Factum and Authorities filed by the Receiver, and on hearing the submissions of counsel for the Receiver, no one else appearing or attending although duly served as evidenced by the Affidavit of Service of Roxanne Chapman, sworn on March 24, 2020, filed,

1. **THIS COURT ORDERS AND DECLARES** that service of this motion has been validly effected such that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS AND DECLARES** that the Receiver's First Report is hereby approved and that the activities and conduct of the Receiver and that of its legal counsel as set forth in the First Report are hereby ratified and approved.

3. **THIS COURT ORDERS AND DECLARES** that the Confidential Appendices shall be kept sealed and confidential and shall not form part of the public record until the Sales Transaction closes or pending further Order of this Court.

4. **THIS COURT ORDERS AND DECLARES** that the Receiver's Interim SRD is hereby approved.

5. **THIS COURT AUTHORIZES AND DIRECTS** that, in the event the Sales Transaction closes and the Receiver receives the Sale Proceeds from the Purchaser, the Receiver shall make an interim distribution from the Sale Proceeds to HarbourEdge in the amount of $1,900,000.00 on account of HarbourEdge's first-ranking mortgage security in respect of the Real Property.

ENTERED AT OTTAWA
INSCRIT A OTTAWA
ON/LE AVR APR 16 2020
DOC 041
IN BO
AU REGI RE NO. 73-13

THE HONOURABLE MADAM JUSTICE SALLY GOMERY

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION - and - CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7061358 CANADA INC.

Applicant

Respondents

Court File No. CV-19-00080328-0000

ONTARIO SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP OF CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7061358 CANADA INC.
of the City of Ottawa, in the Province of Ontario

Proceeding Commenced at Ottawa

ORDER

SOLOWAY WRIGHT LLP
Lawyers
700-427 Laurier Avenue West
Ottawa ON K1R 7Y2

André A. Ducasse - LSUC No.: 044739R
(613) 236-0111 telephone
(613) 238-8507 facsimile

Lawyers for the Court-Appointed Receiver, MNP Ltd.

Box 379

Court File No.: CV-19-00080328-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP OF CASABELLA SUBSIDIARY LIMITED PARTNERSHIP and 7061358 CANADA INC. of the City of Ottawa, in the Province of Ontario

THE HONOURABLE	)	**THURSDAY, the 9TH DAY**
	)	
MADAM JUSTICE SALLY GOMERY	)	**OF APRIL, 2020.**

BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

- and –

CASABELLA SUBSIDIARY LIMITED PARTNERSHIP and 7061358 CANADA INC.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by MNP Ltd. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertakings, properties and assets of the Respondents, Casabella Subsidiary Limited Partnership and 7061358 Canada Inc. (the "**Debtors**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Theberge Holdings Limited (the "**Purchaser**") dated February 11, 2020 and appended as a Confidential (redacted) Appendix to the Report of the Receiver dated March 10, 2020 (the "**Report**"), and vesting in the Purchaser the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at the Courthouse, 161 Elgin Street, Ottawa, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Roxanne Chapman, sworn on March 24, 2020, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Madam Justice Gomery dated June 19, 2019; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Ottawa-Carleton (No. 4) of an Application for Vesting Order in the form

prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act,* the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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

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

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees, including personal information of those employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.

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

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtors;

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

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **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.

ENTERED AT OTTAWA
INSCRIT A OTTAWA
ON/LE AVR APR 16 2020
DOCUMENT # 041
IN BOOK NO. 73-13
AU REGISTRE NO. 73-13

THE HONOURABLE MADAM JUSTICE SALLY GOMERY

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION - and - CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7061358 CANADA INC.

Applicant

Respondents

Court File No. CV-19-00080328-0000

ONTARIO SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP OF CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7061358 CANADA INC.
of the City of Ottawa, in the Province of Ontario

Proceeding Commenced at Ottawa

APPROVAL AND VESTING ORDER

SOLOWAY WRIGHT LLP
Lawyers
700-427 Laurier Avenue West
Ottawa ON K1R 7Y2

André A. Ducasse - LSUC No.: 044739R
(613) 236-0111 telephone
(613) 238-8507 facsimile

Lawyers for the Court-Appointed Receiver, MNP Ltd.

Box 379

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District of: Ontario
Division No. 12 - Ottawa
Court No. CV-19-000-80328-0000
Estate No. 33-165713

- FORM 87 -
Notice of Statement of the Receiver
(Subsections 245(1) and 246(1) of the Act)

In the matter of the receivership of
7061358 Canada Inc. and Casabella Subsidiary Limited Partnership
of the City of Ottawa
in the Province of Ontario

The receiver gives notice and declares that:

1. On the 19th day of June 2019, we, MNP LTD., became the receiver in respect of the property of 7061358 Canada Inc. and Casabella Subsidiary Limited Partnership, that is described below:

Real Property or Immovable	Building - Ottawa - 3497 Innes Road	380000.00
Real Property or Immovable	Building - Ottawa - 4540 Innes Road	380000.00
Real Property or Immovable	Building - Ottawa - 4542 Innes Road	380000.00
Real Property or Immovable	Building - Ottawa - 4544 Innes Road	380000.00
Real Property or Immovable	Building - Ottawa - 4546 Innes Road	380000.00
Real Property or Immovable	Building - Ottawa - 4548 Innes Road	380000.00
Real Property or Immovable	Building - Ottawa - 4550 Innes Road	380000.00
Real Property or Immovable	Building - Ottawa - 4552 Innes Road	380000.00

2. We became a receiver by having taken possession or control of the property described above (or by virtue of being appointed by Harbouredge Mortgage Investment Corporation), pursuant to First ranking secured charge on properties located at 4538, 4540, 4532, 4544, 4546, 4548, 4550 and 4552 Innes Road, Ottawa, Ontario dated August 19, 2014 and a General Security Agreement dated August 19, 2014.

3. The undersigned took possession or control of the property described above on the 19th day of June 2019.

4. The following information relates to the receivership:

(a) Address: 219 Greenfield Avenue, Toronto, ON, M2N 3E2
(b) Principal line of business: Holding and Developing Real Estate
(c) Location(s) of business:

3497 - 4522 Innes Road, Ottawa, ON, K1C 1T1

(d) Amount owed to each creditor who holds a security on the property described above:

Maurice Yelle Ltd	$822323.00
Harbour Edge Mortgage Investment Corporation	$7620803.00
1313779 Ontario Inc.	$1.00
7577010 Canada Inc.	$1.00

(e) The list of other creditors and the amount owed to each creditor and the total amount due is as follows:

Poirier Insulation	Unsecured	$1170.00
Enercare Home Services formerly Direct Energy	Unsecured	$1952.00
Hydro One Networks Inc.	Unsecured	$217.00
Hydro One Networks Inc.	Unsecured	$251.00
GFL Environmental Corporation	Unsecured	$1021.00
City of Ottawa - Water & Sewer	Unsecured	$614.00
City of Ottawa - Water & Sewer	Unsecured	$623.00
City of Ottawa - Water & Sewer	Unsecured	$623.00
City of Ottawa - Water & Sewer	Unsecured	$953.00
City of Ottawa - Water & Sewer	Unsecured	$614.00
City of Ottawa - Water & Sewer	Unsecured	$646.00
City of Ottawa - Water & Sewer	Unsecured	$1119.00
City of Ottawa - Water & Sewer	Unsecured	$386.00
Enbridge Gas Distribution - Ontario	Unsecured	$400.00
Rasmussen Starr Ruddy LLP	Unsecured	$6500.00
Novatech Engineering Consultants	Unsecured	$3800.00
Workplace Safety and Insurance Board	Unsecured	$75.00

(f) The intended plan of action of the receiver during the receivership, to the extent that such a plan has been determined, is as follows: the Receiver will list the properties for sale as one block of units via MLS and have all eight units sold together. This will optimize the recovery and lower the operating and management costs.

(g) Contact person for receiver:

John Haralovich, Tel: (613) 691-4270, Fax: (613) 726-9009.

Dated at the City of Ottawa in the Province of Ontario, this 4th day of July 2019.

MNP LTD. - Licensed Insolvency Trustee

1600 Carling Avenue, Suite 800
Ottawa ON K1Z 1G3
Phone: (613) 691-4270 Fax: (613) 726-9009

Industry Canada
Office of the Superintendent of Bankruptcy Canada

Industrie Canada
Bureau du surintendant des faillites Canada

RECEIVER: JOHN PIERRE HARALOVICH
MNP LTD / MNP LTÉE
1600 Carling Avenue, Suite 800
Ottawa, ONTARIO
KIZ IG3

DATE: July 9, 2019

RE: **Filing of Receivership and Reporting Duties of Receiver**

ESTATE NAME: 7061358 Canada Inc. and Casabella Subsidiary Limited Partnership

ESTATE NO: 33-165713

Dear Sir/Madam,

We write to acknowledge receipt of Form 87, Notice and Statement of the Receiver, for the above noted receivership. Please note the assigned estate number and ensure this number is on all future correspondence.

As a reminder, subsection 246(2) of the Bankruptcy and Insolvency Act (BIA) and Rule 126 of the Bankruptcy and Insolvency General Rules require the receiver to prepare interim reports relating to the receivership at least once every six months and provide copies thereof to the Superintendent, to the insolvent person or the Licensed Insolvency Trustee (in the case of a bankrupt) and to any creditor who requested a copy.

In addition, pursuant to subsection 246(3) of the BIA and Rule 127, the receiver shall, after completion of his/her duties, prepare a final report and a statement of accounts containing the prescribed information relating to the receivership and provide a copy thereof to the Superintendent, to the insolvent person or the Licensed Insolvency Trustee (in the case of a bankrupt) and to any creditor who requested a copy.

Please contact this office should you have any questions regarding any of the above.

Superintendent of Bankruptcy

Place Bell Canada, 160 Elgin Street, 11th Floor, Suite B-100, Ottawa, ONTARIO, K2P 2P7, 877/376-9902

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HarbourEdge
MORTGAGE INVESTMENT CORPORATION

40 Huron Street
Suite 300
Collingwood, ON
L9Y 4R3

T 705.443.8156
F 705.443.8158

MORTGAGE STATEMENT

Borrower: Casabella/Tooney/Belcourt/Melkart et al....

Guarantors: 7061358 Canada Inc.
7507950 Canada Inc.
Melkart Developments Inc.
7053525 Canada Inc. & 7053541 Canada Inc.
7209568 Canada Inc.
Edward Sawaya
7053541 Canada Inc.

Statement Date: August 31, 2020

A) Total Principal Outstanding		$	2,941,524.51
B) Total Costs Incurred			38,993.69
C) Total Accrued Interest			1,104,987.21
D) Other Fees (per Schedule A):			
NSF/Late Fees	29,000.00		
Action Instituted Fee	3,000.00		
Property in Posession Fees	363,000.00		
Insurance Cancellation Fee	500.00		
Discharge Fees	4,900.00		
Mortgage Statement Fee	100.00		
Total Other Fees			400,500.00
E) Property Tax Reserve			(9,765.79)
A + B + C + D + E = Total Amount due as at August 31, 2020		$	**4,476,239.62**
Per Diem:	**1,094.93**		

(Errors and omissions excepted)

HarbourEdge Mortgage Investment Corporation

Tim Dwyer, President
I have the authority to bind the Corporation

6

MNP LTD., RECEIVER RE:
CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7061358 CANADA INC.

INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JUNE 19, 2019 TO AUGUST 31, 2020

Receipts:		
Collection of rents	$	115,747
Sale of Land and buildings		2,600,000
Interest		291
		2,716,038
Disbursements:		
Filing fee		70
License fee		311
Utilities		2,115
Insurance		9,225
Property taxes		59,178
Property manager fees		14,657
Repairs and maintenance		14,870
Legal fees		36,132
Receiver fees and expenses		34,465
Real Estate Commissions		95,485
Payment to secured creditor		1,900,000
		2,166,508
Excess of Receipts over Disbursements	$	**549,530**

Prepared Without Audit

E. & O. E.

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Court File No.: CV-19-00080328-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

- and –

CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7061358 CANADA INC.

Respondent

AFFIDAVIT OF JOHN HARALOVICH
(sworn on September 11, 2020)

I, John Haralovich, of the City of Ottawa, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President of MNP LTD. ("**MNP**"), the Licensed Insolvency Trustee ("**LIT**" or "**Receiver**") of Casabella Subsidiary Limited Partnership and 7061358 Canada Inc. (the "**Companies**"). As such, I have knowledge of the matters to which I hereinafter depose except where such knowledge is stated to be based on information and belief, in which case I confirm the source of my information and belief verily believe such information to be true.

2. MNP was appointed as Receiver of the property of the Debtors by way of Court Order dated June 19, 2019.

3. Attached hereto as **Exhibit "A"** are the detailed ledgers of the Receiver for the period of June 19, 2019 to September 11, 2020 in the amount of $108,636.90 plus HST of $14,122.80, totalling $122,759.70.

4. The following table further summarizes the LIT involved and other staff used by MNP as noted in Exhibit "A" by work completed by each MNP professional, group classification with MNP, the hours worked by each professional, along with the amounts and the effective hourly rates charged for each professional:

Professional	Position	Hours Invoiced	Amount Invoiced (excluding HST)	Effective Hourly Rate
John Haralovich	LIT, Partner	95.3	$37,167.00	$390.00
Insolvency Staff	Estate Technicans	19.2	$ 2,376.00	$123.75
Total		**114.5**	**$39,543.00**	**$345.35**

5. The work completed in this matter which is described in Exhibit "A" and the First Report and Final Report of the Receiver includes the following:

- Attending the location;
- Taking possession and control meeting with property maanger;
- Review reporting from property manager;
- Prepare communication to tenants;
- Obtain property insurance;
- Consult with real estate agents to submit proposals to market property;
- Review listing proposals with first secured lendered and provide recommendations for listing;
- Review various offers to purchase, discussions with real estate agent on counter offers back to interested parties;
- Consult with real estate agent after initial purchaser did not waive conditions;
- Review offers from second round of interested parties;
- Obtain City of Ottawa municple tax bills;
- Work towards closing of the sales transaction;; and
- Corresponding with representatives for Canada Revenue Agency regarding HST.

6. As a result of the above efforts, MNP was able to achieve a gross realization of $2,716,038 as noted in Appendix 6 of the Final Report of the Receiver. The net realization in

this matter, resulted is significant return to the secured creditor, namely the Habouredge Mortgage Investment Corporation.

7. The above rates charged by MNP throughout the course of these proceedings are standard and comparable to the rates charged by other LIT firms in the Ottawa market for the provision of similar services.

8. This affidavit is sworn in support of a motion to, inter alia, approve the attached account of MNP and the fees and disbursement detailed therein, and for no improper purpose.

SWORN BEFORE me at the City of Ottawa in the Province of Ontario this 15th day of September, 2020	)))))))	
A Commissioner for taking Affidavits, etc.	)	JOHN HARALOVICH

Gisele Mubika
A Commissioner, etc.,
Province of Ontario,
for MNP Ltd.
Expires November 25, 2022.

This is Exhibit "A" referred to in the Affidavit of John Haralovich sworn September 15th, 2020

Commissioner for Taking Affidavits (or as may be)

Gisèle Mubika
A Commissioner, etc.,
Province of Ontario,
for MNP Ltd.
Expires November 25, 2022.

Casabella Subsidiary Limited Partnership and 7061358 Canada Inc.
Summary of WIP

Date	Description	Units	Amount	Notes
LIT				
18-Jun-2019	John Haralovich	2.50	975.00	preparation for court appearance
19-Jun-2019	John Haralovich	2.80	1,092.00	start of appointment
20-Jun-2019	John Haralovich	1.50	585.00	call with property manager and review of records
21-Jun-2019	John Haralovich	2.20	858.00	attend the location, take photos, meet property manager
24-Jun-2019	John Haralovich	1.80	702.00	call from insurance agent, set up advance, start process to arrange for insurance coverage
25-Jun-2019	John Haralovich	2.20	858.00	work on file, start of input, call for insurance, review listing proposal
26-Jun-2019	John Haralovich	1.40	546.00	review listing proposal, email same to lender and lawyers, review condo documents
04-Jul-2019	John Haralovich	2.00	780.00	work on notice of receiver
10-Jul-2019	John Haralovich	1.80	702.00	review marketing proposal, prepare summary for fixtures, approve window cleaning
11-Jul-2019	John Haralovich	1.20	468.00	asset summary, email property manager
16-Jul-2019	John Haralovich	.50	195.00	update web site postings
18-Jul-2019	John Haralovich	1.40	546.00	work on sale agreement
31-Jul-2019	John Haralovich	1.90	741.00	work on letter to tenants, insurance review
01-Aug-2019	John Haralovich	.80	312.00	call with the agent
06-Sep-2019	John Haralovich	1.10	429.00	call with agent and amend offers
27-Sep-2019	John Haralovich	.60	234.00	review tenant email, call with real estate agent
04-Oct-2019	John Haralovich	.90	351.00	call with Ed, review emails, call regarding snow removal
18-Oct-2019	John Haralovich	.70	273.00	accept final offer to purchase
14-Nov-2019	John Haralovich	.90	351.00	respond to emails regarding property issues
10-Dec-2019	John Haralovich	1.10	429.00	call with ed to review offer
07-Jan-2020	John Haralovich	1.40	546.00	review lease agreement, review emails regarding repairs to various units
17-Jan-2020	John Haralovich	1.10	429.00	emails from agent regarding property issue, look at previous messages about purchaser
24-Jan-2020	John Haralovich	1.20	468.00	call with Ed, call with Andre, review emails regarding offer to purchase
28-Jan-2020	John Haralovich	1.00	390.00	review of changes to offer, call with Andre, email Robbie
30-Jan-2020	John Haralovich	1.50	585.00	review offer changes, call with agent, emails with property manager and call with snow plowing service
31-Jan-2020	John Haralovich	1.20	468.00	review changes to offer, call with Andre, forward offer to secured creditor
06-Feb-2020	John Haralovich	1.80	702.00	review emails from lawyers and agent re changes to the agreement
07-Feb-2020	John Haralovich	1.30	507.00	changes to the APA and send to agent, call with Andre
11-Feb-2020	John Haralovich	.70	273.00	work on revised offer to purchase
12-Feb-2020	John Haralovich	2.30	897.00	work on sale of property, call with agent, release signed APA, advise lawyers and secured creditors
24-Feb-2020	John Haralovich	.60	234.00	review new tenant information
27-Feb-2020	John Haralovich	6.20	2,418.00	work on first court report
28-Feb-2020	John Haralovich	5.60	2,184.00	complete first draft of court report, call with Andre Ducasse
02-Mar-2020	John Haralovich	3.80	1,482.00	complete court report
03-Mar-2020	John Haralovich	2.60	1,014.00	edits to V2 of the court report, call with real-estate agent, call with Andre Ducasse
10-Mar-2020	John Haralovich	1.30	507.00	complete court report and send to Andre
19-Mar-2020	John Haralovich	.40	156.00	call with Andre re court
20-Mar-2020	John Haralovich	1.20	468.00	emails regarding tenants, court process
26-Mar-2020	John Haralovich	.50	195.00	review water bill to be paid, send to banking for payment
27-Mar-2020	John Haralovich	.40	156.00	review tenant extension
30-Mar-2020	John Haralovich	.60	234.00	review emails regarding secured claim
31-Mar-2020	John Haralovich	1.60	624.00	review emails, send responses to secured lender and lawyers
01-Apr-2020	John Haralovich	.50	195.00	call with ed regarding closing
02-Apr-2020	John Haralovich	.60	234.00	review correspondence

Casabella Subsidiary Limited Partnership and 7061358 Canada Inc.
Summary of WIP

Date	Description	Units	Amount	Notes
09-Apr-2020	John Haralovich	2.00	780.00	court call and call with agent
14-Apr-2020	John Haralovich	1.50	585.00	obtain information for closing
20-Apr-2020	John Haralovich	.50	195.00	review process for signing of documents
21-Apr-2020	John Haralovich	.80	312.00	review emails and inquiry from lawyers
22-Apr-2020	John Haralovich	1.00	390.00	work on closing of sale transaction, call with Andre, review emails
23-Apr-2020	John Haralovich	2.50	975.00	work on closing issues, sign closing documents, calls with lawyers, review emails, send note to property manager to supply keys
24-Apr-2020	John Haralovich	1.00	390.00	closing of file started
02-Jun-2020	John Haralovich	.40	156.00	review hydro one accounts
03-Jul-2020	John Haralovich	.50	195.00	provide lease information to purchaser
07-Jul-2020	John Haralovich	1.00	390.00	respond to purchasers request, review insurance refund
08-Jul-2020	John Haralovich	.30	117.00	approve invoice payment
14-Aug-2020	John Haralovich	.40	156.00	send secured creditor update as to funds held in trust
27-Aug-2020	John Haralovich	3.50	1,365.00	work on final report to the court
28-Aug-2020	John Haralovich	.80	312.00	work on report to the court
01-Sep-2020	John Haralovich	4.50	1,755.00	complete first draft of the report to the court
02-Sep-2020	John Haralovich	1.30	507.00	review edits from Soloway
08-Sep-2020	John Haralovich	.90	351.00	review file for CRA matter, call with Soloway Wright
11-Sep-2020	John Haralovich	1.10	429.00	edit report
15-Sep-2020	John Haralovich	2.60	1,014.00	complete final report, provide information to Soloway to prepare court material
		95.30	37,167.00	

Estate administrations and other professionals

24-Jun-2019	James De Salis	.40	44.00	Setup banking
09-Jul-2019	James De Salis	.40	44.00	Setup banking & accounted for $20.000 deposit in June
10-Jul-2019	Sandra Dilio	.80	84.00	Mailing to creditors, efile
15-Jul-2019	James De Salis	.30	33.00	Receive transfer & pay hydro
17-Jul-2019	Jessie Hue	.80	173.60	Create website and postings
31-Jul-2019	James De Salis	.30	33.00	Processing of bills to pay
08-Aug-2019	James De Salis	.10	10.50	Processing of bills to pay
09-Aug-2019	James De Salis	.20	21.00	Processing of bills to pay
12-Aug-2019	James De Salis	.20	21.00	Processing of bills to pay
14-Aug-2019	James De Salis	.40	42.00	Confirming receipt of direct deposit & allocating funds
29-Aug-2019	James De Salis	.10	10.50	Enbridge payment
16-Sep-2019	Heather Ursaki	.10	13.90	Uploaded French translation to corp. engagements site
17-Sep-2019	James De Salis	.20	21.00	Received direct deposit
24-Sep-2019	James De Salis	.20	21.00	Sending creditor's package
27-Sep-2019	James De Salis	.20	21.00	Enbridge cheque
15-Oct-2019	James De Salis	.40	42.00	Receiving wire transfer
30-Oct-2019	James De Salis	.20	21.00	Paying gas bill
05-Nov-2019	James De Salis	.30	31.50	Payment of invoice for snowplowing services
08-Nov-2019	James De Salis	.50	52.50	Payment of invoices
08-Nov-2019	James De Salis	.20	21.00	Payment of invoices
13-Nov-2019	James De Salis	.30	31.50	Payment of invoices
22-Nov-2019	James De Salis	.10	10.50	Payment of invoices
25-Nov-2019	James De Salis	.60	63.00	Preparing invoices for snow plowing
27-Nov-2019	James De Salis	.20	21.00	Enbridge payment & Snow plowing
06-Dec-2019	James De Salis	.30	31.50	Reporting rental income
11-Dec-2019	Sandra Dilio	.30	31.50	Payment of invoices
06-Jan-2020	James De Salis	.10	10.50	Payment of invoices
13-Jan-2020	James De Salis	.10	10.50	Payment of invoices
13-Jan-2020	James De Salis	.40	42.00	Redistributing funds, preparing repayment of advance
15-Jan-2020	James De Salis	.20	21.00	Reporting rental income
15-Jan-2020	James De Salis	.10	10.50	Identifying transfer with Versa
05-Feb-2020	Murray Robertson	1.00	365.00	tcon, email John Haralovich re HST trust claim by CRA
05-Feb-2020	Sandra Dilio	.30	31.50	call from CRA regarding unpaid HST
06-Feb-2020	James De Salis	.10	10.50	Snowplowing cheque issued

Casabella Subsidiary Limited Partnership and 7061358 Canada Inc.

Summary of WIP

Date	Description	Units	Amount	Notes
18-Feb-2020	James De Salis	.20	21.00	Legal fees paid
19-Feb-2020	Sandra Dilio	.60	63.00	CRA - GST assessments and re-assessments
26-Feb-2020	James De Salis	.30	31.50	Snow plowing paid
03-Mar-2020	James De Salis	.30	31.50	Payment of invoices
10-Mar-2020	Sandra Dilio	.20	21.00	Call with CRA
16-Mar-2020	James De Salis	.40	42.00	Legal fees paid
19-Mar-2020	James De Salis	.40	42.00	Rental income & banking issues
27-Mar-2020	James De Salis	.30	31.50	Water bill paid
30-Mar-2020	James De Salis	.20	21.00	Payment of invoices
02-Apr-2020	James De Salis	.40	42.00	Payment of invoices
16-Apr-2020	James De Salis	.40	42.00	Transfer confirmation & rental income
30-Apr-2020	James De Salis	.20	21.00	Confirming wire payment instructions
01-May-2020	James De Salis	.20	21.00	Wire payment instructions
04-May-2020	James De Salis	.60	63.00	Helping with wire payment instructions
05-May-2020	James De Salis	.20	21.00	Cheque clearing
05-May-2020	James De Salis	.40	42.00	Wire transfer
05-May-2020	James De Salis	.30	31.50	Calling again to help walk someone through the wire payment instructions
08-May-2020	James De Salis	.40	42.00	Deposits from sale of property
20-May-2020	James De Salis	.20	21.00	Utility bill & contacting Hydro One about where to send it
21-May-2020	James De Salis	.20	21.00	Enbridge bill paid
26-May-2020	James De Salis	.30	31.50	Payment of invoices
27-May-2020	James De Salis	.20	21.00	Payment of invoices
04-Jun-2020	James De Salis	.30	31.50	Payment of invoices
24-Jun-2020	James De Salis	.40	42.00	Paying a bill & city taxes
07-Jul-2020	James De Salis	.30	31.50	Insurance cheque deposited
08-Jul-2020	James De Salis	.20	21.00	Payment of invoices
12-Aug-2020	James De Salis	.20	21.00	Legal fees paid
01-Sep-2020	James De Salis	.20	21.00	Posting requested accounting entries
15-Sep-2020	James De Salis	.30	31.50	Legal fees paid
		19.20	2,376.00	
Total WIP		**114.50**	**39,543.00**	

8

Court File No. CV-19-00080328-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP OF CASABELLA SUBSIDIARY LIMITED PARTNERSHIP and 7061358 CANADA INC. of the City of Ottawa, in the Province of Ontario

BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

- and –

CASABELLA SUBSIDIARY LIMITED PARTNERSHIP and 7061358 CANADA INC.

Respondents

AFFIDAVIT OF ROXANNE CHAPMAN
(sworn on September 11, 2020)

I, Roxanne Chapman, of the City of Ottawa, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a law clerk with the law firm of Soloway Wright LLP ("**SW**"), the lawyers for the Court-Appointed Receiver, MNP Ltd. (the "**Receiver**"), and have assisted with the carriage of this matter. As such, I have knowledge of the matters to which I hereinafter depose except where such knowledge is stated to be based on information and belief, in which case I confirm the source of my information and belief and verily believe such information to be true.

2. For convenience, defined terms herein not otherwise defined are as defined in the Receiver's second and final report to the Court (the "**Final Report**").

3. Attached hereto as **Exhibit "A"** are true copies of the invoices issued by SW for fees and disbursements incurred during the course of the within proceeding to the period ending September 11, 2020. The attached invoices are summarized as follows:

Invoice Date	Fees	Disbursements	HST	Total
August 9, 2019	$1,640.00	$63.00	$221.39	$1,924.39
February 11, 2020	$3,840.50	$371.00	$547.50	$4,759.00
April 14, 2020	$13,500.00	$2,956.99	$2,097.81	$18,554.80
May 7, 2020	$8,299.39	$561.67	$1,138.94	$10,000.00
August 11, 2020	$746.50	$50.00	$97.55	$893.55
September 11, 2020	$4,838.00	$0.00	$628.94	$5,466.94
TOTAL	**$32,864.39**	**$4,002.66**	**$4,732.13**	**$41,598.68**

4. I have been advised by André Ducasse, the lawyer with carriage of this matter on behalf of the Receiver, and verily believe that the work carried out by SW personnel on behalf of the Receiver can be briefly summarized as follows:

- Ongoing correspondence and communications with the Receiver regarding advice with respect to receivership proceedings and various issues regarding same, including, in addition to what is set out below, secured and priority claims, documents regarding same, vetting of secured claims, and opinion to Receiver regarding same.
- Advising the Receiver and dealing with the sale of the Real Property, including listing agreement, title issues, marketing of Real Property, searches regarding sale, dealing with encumbrances, requistions and response thereto, drafting and revising terms and conditions of offers and counter-offers, insurance issues, appraisals, reviewing offers and counter-offers, amendments thereto, and dealing with purchaser's counsel in respect of the foregoing.
- Dealing with the City of Ottawa regarding deferral agreement registered on title to Real Property and securing the deletion of same from title to the Real Property.

- Various and ongoing correspondence and communication with the Debtors regarding status of and issues regarding receivership proceedings, including financial information and documentation required by Receiver.
- Various and ongoing correspondence and communications with creditors and their counsel regarding status of and issues regarding receivership proceedings, including communications with counsel for mortgagees, their position on distribution motion and the second-ranking mortgagee's objection to same.
- Preaparing material regarding approval motion and motion for distribution order, including drafting and revising Receiver's First Report to the Court, Notice of Motion, fee Affidavit, Factum and Authorities, and Court Orders, reviewing authorities regarding same, and preparing for and attending the said motion.
- Dealing with all aspect of the closing of the Sales Transaction, including preparing and exchanging closing documents, undertakings regarding closing, statement of adjustments, lease deposits, land transfer tax reductions, and various dealings and communications with purchaser's counsel regarding same. Also dealing with post-closing issues, including discharging security and secured registrations pursuant to Approval and Vesting Order.
- Preaparing material regarding final distribution and discharge motion, including drafting and revising Receiver's Final Report to the Court, Notice of Motion, fee Affidavit, Factum and Authorities, and Court Orders regarding same, reviewing authorities regarding same, and preparing for and attending said motion.

5. The following table further summarizes the invoices attached as Exhibit "A" by work completed by each SW professional, his or her position with SW, the hours worked by each professional, along with the amounts and the effective hourly rates charged for each professional:

Professional	Position	Hours Invoiced	Amount Invoiced (excluding HST)	Effective Hourly Rate
André Ducasse	Partner	64.4	$25,679.70	$398.75
Sybil Johnson-Abbott	Partner	12.9	$4,723.40	$366.16
Caleb Timmermann	Associate Lawyer	14.8	$2,395.00	$161.82

Ryan Darroch and Morgan McNeely	Law Clerks	0.9	$66.29	$73.66
Total		**78.7**	**$32,864.39**	**977.62**

6. I have further been advised by André Ducasse, and verily believe that, to the best of his knowledge the above rates charged by SW throughout the course of these proceedings are standard and comparable to the rates charged by other law firms in the Ottawa market for the provision of similar services.

7. I make this Affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver's counsel.

SWORN BEFORE me at the City of Ottawa in)
the Province of Ontario)
this 11th day of September, 2020)
)
)
)
A Commissioner for Taking Affidavits, etc.)

André Ducasse
LSO # 49739R

)
)
)
)
)
)

Roxanne Chapman
ROXANNE CHAPMAN

This is Exhibit "A" referred to in the Affidavit of Roxanne Chapman sworn September 11, 2020

Commissioner for Taking Affidavits (or as may be)

Soloway Wright | lawyers

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www.solowaywright.com

MNP Ltd.
John Haralovich
1600 Carling Avenue
Suite 800
Ottawa, ON K1Z 1G3

August 9, 2019
Our File # 52064-01003
Invoice # 305540
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: 7507950 CANADA INC. et al.

Our Fee Herein		$ 1,640.00
Total Disbursements		$ 63.00
HST on Fees - 13.00%	$ 213.20	
HST on Disbursements - 13.00%	$ 8.19	
Total Taxes		$ 221.39
Total Account		**$ 1,924.39**

André Ducasse
(0092)

E. & O.E.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

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August 9, 2019
Our File # 52064-01003
Invoice # 305540
GST/HST Reg. #121761480

INTERIM ACCOUNT

TO OUR FEE for professional services rendered and disbursements incurred with respect to the following matter and more particularly described as follows:

RE: 7507950 CANADA INC. et al.

FEES

Date	Atty	Description of Services Rendered	Hours
6/20/19	AD	Correspondence from J. Haralovich re: information required from debtors and next steps re: receivership proceedings.	.20
6/24/19	AD	Correspondence from J. Haralovich to E. Sawaya re: required information and next steps; correspondence to and telephone attendance with J. Haralovich re: same.	.20
6/27/19	AD	Emails from J. Haralovich re: issues re: condominium holdings and reviewing documents re: same; telephone attendance with J. Haralovich re: same, listing agreement and insurance coverage and debtor's failure to respond to inquiries and proposed course of action re: same.	.30
6/27/19	AD	Reviewing emails from J. Haralovich re: listing proposal and appraisals and proposed course of action re: same.	.20
6/28/19	AD	Correspondence from J. Haralovich re: issues re: listing and insurance coverage; reviewing email communications between J. Haralovich and debtor re: receiver's requests for information.	.20
7/01/19	AD	Correspondence to J. Haralovich re: required follow up with debtor re: requests for information.	.10
7/03/19	AD	Telephone attendance with J. Haralovich re: advise with respect to OSB filings and recent developments.	.20
7/04/19	AD	Correspondence to E. Sawaya re: breach of receivership order and failure to provide receiver with required/requested information.	.40

Invoice #: 305540 August 7, 2019
7507950 CANADA INC. et al.

Date	Atty.	Description of Services Rendered	Hours
7/05/19	AD	Correspondence from E. Sawaya re: requests for financial information and disclosure; correspondence from J. Haralovich and V. Vandergust re: same.	.20
7/08/19	AD	Telephone attendance with J. Haralovich re: recent exchanges with E. Sawaya and required information; reviewing file re: same; correspondence to E. Sawaya re: same; emails from and to V. Vandergust re: same.	.60
7/15/19	AD	Various emails from J. Haralovich and R. Broad re: issues re: insurance coverage.	.10
7/18/19	AD	Correspondence from and to J. Haralovich re: issues re: listing and terms and conditions of agreement of purchase and sale.	.20
8/01/19	AD	Drafting and revising terms and conditions re: schedule to agreement of purchase and sale; correspondence to J. Haralovich re: same.	1.20

Total Hours: 4.10

Our Fee Herein: $ 1,640.00

DISBURSEMENTS

Description of Costs Advanced		Amount
Court Run Services		63.00
Total Disbursements:		**$ 63.00**
HST on Fees - 13.00%	$ 213.20	
HST on Disbursements - 13.00%	$ 8.19	
Total Taxes		**$ 221.39**
Total Account		**$ 1,924.39**

THIS IS OUR ACCOUNT

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August 9, 2019
Our File # 52064-01003
Invoice # 305540
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	$ 1,640.00
Total Costs	$ 63.00
Total Taxes	$ 221.39
Total Account	**$ 1,924.39**

To ensure proper credit to your account please return this remittance with your payment.

Please note payments can now be made by eTransfer to receivables@solowaywright.com (please include customer number 52064 in the message), or by means of the Bill Payment function of the major Canadian Banks, using customer number 52064.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

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Ottawa, ON K1Z 1G3

February 11, 2020
Our File # 52064-01003
Invoice # 312333
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: 7507950 CANADA INC. et al.

Our Fee Herein		$ 3,840.50
Total Disbursements		$ 371.00
HST on Fees - 13.00%	$ 499.27	
HST on Disbursements - 13.00%	$ 48.23	
Total Taxes		$ 547.50
Total Account		**$ 4,759.00**

André Ducasse
(0092)

E. & O.E.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

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February 11, 2020
Our File # 52064-01003
Invoice # 312333
GST/HST Reg. #121761480

INTERIM ACCOUNT

TO OUR FEE for professional services rendered and disbursements incurred with respect to the following matter and more particularly described as follows:

RE: 7507950 CANADA INC. et al.

FEES

Date	Atty	Description of Services Rendered	Hours
8/06/19	AD	Correspondence from and call with J. Haralovich re: title issues and issues re: marketing of property; reviewing property searches re: same.	.20
8/15/19	AD	Email from and to R. Broad re: recent communications from MCAP and reviewing same and documentation re: same.	.20
8/26/19	AD	Reviewing various emails from realtor re: issues re: offer and parcel registers and reviewing file re: same.	.20
10/18/19	AD	Correspondence from and to J. Haralovich re: accepted offer and reviewing same; telephone attendance with J. Haralovich re: same.	.20
12/18/19	AD	Call with counsel for prospective purchaser re: offer and proposed amendments thereto.	.20
1/22/20	AD	Telephone attendance with counsel for prospective purchaser re: agreement of purchase and sale; correspondence from counsel re: proposed amendments and reviewing same; email to and from J. Haralovich re: same.	.30
1/23/20	AD	Call with J. Haralovich re: recent developments re: sale of property, proposed amendments to agreement of purchase and instructions re: same; email to purchaser's counsel re: Receiver's position re: proposed amendments.	.50
1/24/20	AD	Email from and to purchaser's counsel re: proposed extension of conditional period; correspondence to J. Haralovich re: same; call with J. Haralovich re: instructions; email to purchaser's counsel re: receiver's position.	.30

Invoice #: 312333 February 11, 2020
7507950 CANADA INC. et al.

Date	Atty	Description of Services Rendered	Hours
1/27/20	AD	Call with purchaser's counsel re: proposed adjustment and new offer to purchase; email from and to purchaser's counsel re: same; email to and call with J. Haralovich re: same; email to purchaser's counsel re: Receiver's position re: foregoing.	.60
1/28/20	SJ	Review offer and real estate matters.	.30
1/28/20	AD	Various emails from counsel for purchaser re: proposed amendments to agreement of purchase and sale; correspondence to J. Haralovich re: same; reviewing email from purchaser's counsel and property search results re: encumbrances to be deleted; consultation with S. Johnson-Abbott re: foregoing; email and call with to J. Haralovich re: advice re: proposed revisions to APS; email to counsel re: Receiver's position.	1.20
1/29/20	SJ	E-mail from A. Munroe regarding deferral agreement; e-mail to and from City regarding same; update client on the status of the deferral agreement; instructions to law clerk regarding cheque for discharge of deferral agreement.	.50
1/29/20	AD	Email from purchaser's counsel re: deletion of development charges deferral agreement; correspondence to and consultation with J. Haralovich re: same; memos from and consultation S. Johnson-Abbott re: same.	.30
1/30/20	SJ	Letter to City of Ottawa regarding deletion of deferral fees and cheque for deletion.	.10
1/30/20	AD	Consultation with S. Johnson-Abbott re: deletion of development fee deferral agreement and issues re: offer; correspondence to and from purchaser's counsel and J. Haralovich re: same; reviewing and revising agreement of purchase and sale; correspondence to purchaser's counsel re: same.	.80
1/31/20	SJ	Review revisions to agreement of purchase and sale; e-mail to A. Ducasse regarding same.	.40
1/31/20	AD	Emails from purchaser's counsel re: proposed amendments to agreement of purchase and sale; reviewing same and memo from S. Johnson-Abbott re: same; correspondence to and from J. Haralovich re: same; drafting and revising agreement; emails to and calls J. Haralovich re: same; finalizing agreement; correspondence to purchaser's counsel re: same.	1.40
2/03/20	AD	Emails from and to purchaser's counsel re: proposed revisions to agreement of purchase and sale; email to and from J. Haralovich re: same; drafting and revising agreement re: same.	.40
2/04/20	AD	Drafting and finalizing agreement of purchase and sale; correspondence to purchaser's counsel re: same; various emails from J. Haralovich and R. Broad re: CRA's HST claim; email from and to purchaser's counsel re: issues relating to agreement of purchase and sale and transaction.	.80

Invoice #: 312333 February 11, 2020
7507950 CANADA INC. et al.

Date	Atty	Description of Services Rendered	Hours
2/05/20	AD	Telephone attendance with J. Haralovich re: CRA claim for HST and proposed course of action re: same; emails from J. Haralovich re: same and reviewing issues re: same.	.50

Total Hours: 9.40

Our Fee Herein: $ 3,840.50

DISBURSEMENTS

Description of Costs Advanced		Amount
Teraview Search Fee		3.00
Courier Charges		3.67
Agreement Compliance		364.33
Total Disbursements:		**$ 371.00**
HST on Fees - 13.00%	$ 499.27	
HST on Disbursements - 13.00%	$ 48.23	
Total Taxes		**$ 547.50**
Total Account		**$ 4,759.00**

THIS IS OUR ACCOUNT

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February 11, 2020
Our File # 52064-01003
Invoice # 312333
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	$ 3,840.50
Total Costs	$ 371.00
Total Taxes	$ 547.50
Total Account	**$ 4,759.00**

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Please note payments can now be made by eTransfer to receivables@solowaywright.com (please include customer number 52064 in the message), or by means of the Bill Payment function of the major Canadian Banks, using customer number 52064.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

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April 14, 2020
Our File # 52064-01003
Invoice # 314392
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: 7507950 CANADA INC. et al.

Our Fee Herein		**$ 14,802.50**
Less Courtesy Discount		**- $ 1,302.50**
Net Fee Herein		**$ 13,500.00**
Total Disbursements		$ 2,956.99
HST on Fees - 13.00%	$ 1,755.00	
HST on Disbursements - 13.00%	$ 342.81	
Total Taxes		$ 2,097.81
Total Account		**$ 18,554.80**

André Ducasse
(0092)

E. & O.E.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

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April 14, 2020
Our File # 52064-01003
Invoice # 314392
GST/HST Reg. #121761480

INTERIM ACCOUNT

TO OUR FEE for professional services rendered and disbursements incurred with respect to the following matter and more particularly described as follows:

RE: 7507950 CANADA INC. et al.

FEES

Date	Atty	Description of Services Rendered	Hours
2/06/20	AD	Call with purchaser's counsel re: various issues relating to agreement of purchase and sale; consultation with S. Johnson-Abbott re: same; email to and from J. Haralovich re: same.	.80
2/07/20	AD	Telephone attendance with J. Haralovich re: revisions being proposed by purchaser and Receiver's instructions re: same; call with purchaser's counsel re: issues relating to agreement of purchase and sale; email from purchaser re: proposed revisions to agreement of purchase and sale; email from and to J. Haralovich re: same.	.80
2/10/20	AD	Call with J. Haralovich re: purchaser's proposed revisions to agreement of purchase and sale; email from purchaser's counsel re: same; call with purchaser's counsel re: proposed amendments; email to J. Haralovich re: same; drafting and revising agreement accordingly; email to and from J. Haralovich re: revised agreement; email to counsel re: same.	1.00
2/12/20	AD	Correspondence from purchaser's re: offer to purchaser; reviewing offer to purchase; correspondence to and from J. Haralovich re: offer.	.20
2/13/20	SJ	E-mail from City regarding discharge of deferral agreement; e-mail to A. Ducasse regarding same.	.20
2/13/20	AD	Memo from S. Johnson-Abbott re: discharge of deferral agreement; correspondence to J. Haralovich re: same.	.10

Invoice #: 314392 April 14, 2020
7507950 CANADA INC. et al.

Date	Atty	Description of Services Rendered	Hours
2/14/20	AD	Correspondence from purchaser's counsel re: requisitions; memo to S. Johnson-Abbott and J. Haralovich re: same; telephone attendance with J. Haralovich re: same and issues re: transaction and next steps re: same.	.20
2/19/20	AD	Consultation with S. Johnson-Abbott re: background of receivership proceedings and issues re: agreement of purchase and sale, restrictive covenant and proposed course of action re: same.	.20
2/20/20	SJ	Receipt of requisition letter and instructions to law clerk regarding same.	.20
2/20/20	SJ	Instructions to law clerk regarding response to requisitions and critical date list.	.20
2/24/20	SJ	Meeting with law clerk and review file and instructions regarding responses to requisition letter; e-mail from purchaser's counsel regarding outstanding taxes.	.40
2/24/20	AD	Memo from S. Johnson-Abbott re: status of transaction and issues re: same and reviewing documents re: same; call with J. Haralovich re: same.	.10
2/26/20	SJ	Review and revise requisition letter.	.40
2/26/20	AD	Reviewing emails from J. Haralovich and realtor re: Court approval and closing issues; reviewing agreement of purchase and sale re: same; email to J. Haralovich re: same.	.30
2/28/20	AD	Instructions from J. Haralovich re: security review; reviewing lender's loan and security instruments and making notes re: same; memo to commercial real estate clerks re: various property searches; reviewing results of numerous property searches and making notes re: same; drafting and revising security opinion; telephone attendance with J. Haralovich re: issues re: receiver's court report.	3.50
3/02/20	AD	Memo to clerks re: PPSA and execution searches; reviewing results of searches; drafting and revising security opinion for receiver re: approval motion; correspondence to and call with J. Haralovich re: security opinion, Court attendance, extension of closing and issues re: foregoing.	1.90
3/02/20	RD	Email from R. Chapman re search request; execution search; PPSA search.	.20
3/03/20	AD	Emails from and to J. Haralovich re: Receiver's first report to the Court; drafting and revising Receiver's first report to the Court; reviewing agreement of purchase and sale re: closing date; email to counsel for purchaser re: same and proposed extension of closing; call with J. Haralovich re: various issues re: receiver's court report and appendices thereto; further drafting and revising receiver's report accordingly.	3.10
3/04/20	AD	Email from and to purchaser's counsel re: proposed extension of closing and issues re: same.	.10

Invoice #: 314392 April 14, 2020
7507950 CANADA INC. et al.

Date	Atty	Description of Services Rendered	Hours
3/05/20	AD	Drafting and revising notice of motion, reviewing file re: service list and instructions to clerk re: same; drafting and revising order re: approval of receiver's reported and related relief.	1.30
3/10/20	AD	Correspondence from and to J. Haralovich re: receiver's report, motion record and court date.	.10
3/11/20	AD	Drafting and finalizing notice of motion; correspondence to Court re: required Court attendance.	.30
3/12/20	AD	Email from Court re: Court appearance; email to and from J. Haralovich re: same.	.10
3/13/20	AD	Reviewing motion material and finalizing motion record; instructions to clerks and associate re: serving and filing material, and preparing approval and vesting order, ancillary order and factum and authorities.	.50
3/13/20	CT	Draft Factum re: Motion for Approval and Vesting Order.	5.10
3/13/20	CT	Draft Approval and Vesting Order.	1.50
3/13/20	CT	Draft Order re: approval of the Receiver's First Report.	.40
3/16/20	CT	Continue to draft and revise Factum re: Approval of Receiver's First Report.	1.10
3/16/20	CT	Review and compile caselaw to for Factum re: Motion for Approval of Receiver's First Report.	1.30
3/17/20	CT	E-mail to A. Ducasse re: Factum for Motion for Approval of Receiver's First Report.	.10
3/19/20	AD	Various correspondence to and from Court re: required Court attendance and issues re: same; correspondence to V. Vandergust re: same; correspondence to counsel for prospective purchaser re: issues re: Court attendance and agreement of purchase and sale; consultations with and instructions to clerk re: motion material, factum and authorities and serving and filing same; drafting and revising factum and reviewing authorities; correspondence to purchaser's counsel re: approval motion; correspondence to applicants' counsel re: same.	2.90
3/19/20	CT	E-mails from and to R. Chapman re: status of Motion for Approval.	.20
3/20/20	AD	Drafting and revising notice of motion and factum; reviewing authorities; instructions to clerk re: preparing and filing all motion material.	1.20
3/23/20	AD	Reviewing, revising and collating motion material; instructions to clerk re: same; correspondence to parties and service list re: service of motion material.	.50
3/24/20	AD	Reviewing updated property and PPSA search results re: approval and vesting order; drafting and revising approval and vesting order and ancillary order; various emails from and to Court re: motion and filing material re: same.	1.90
3/25/20	AD	Correspondence from and to third-ranking mortgagee re: position on motion.	.10

Invoice #: 314392 April 14, 2020
7507950 CANADA INC. et al.

Date	Atty	Description of Services Rendered	Hours
3/27/20	AD	Email from and to counsel for appointing creditor re: position on approval motion and issues re: same.	.10
3/30/20	SJ	Calculate date by which court order is to be obtained and instructions to law clerk regarding same.	.10
3/30/20	AD	Emails from V. Vandergust and J. Haralovich re: receiver's motion and issues re: same; correspondence to parties re: proposed approval and vesting order and ancillary order; correspondence to and from purchaser's counsel re: approval and vesting order; instructions to clerk re: orders and motion confirmation form; correspondence from counsel for second-ranking mortgagee re: purported undertaking by appointing creditor and relief being sought on motion; email to and from J. Haralovich re: same; email to counsel for appointing creditor re: same; Emails with S. Johnson-Abbott re: issues re: closing and approval motion; email from and to purchaser's counsel re: issues re: approval and vesting order; correspondence from V. Vandergust re: issues raised by second-ranking mortgagee; correspondence to counsel for second-ranking mortgagee re: same; email from counsel for appointing creditor re: issues raised by counsel for second-ranking mortgagee.	1.80
3/31/20	AD	Various emails to and from applicant's counsel and applicant re: issues raised by counsel for second-ranking mortgagee and proposed course of action re: same; email from counsel for third-ranking mortgagee re: approval motion and issues re: same; email to and call J. Haralovich re: same and instructions; reviewing motion material re: preparing for motion and making notes re: same; memo to real estate clerks re: further required property searches; telephone attendance with purchaser's counsel re: proposed approval and vesting order.	2.80
3/31/20	RD	Email correspondence with R. Chapman re ownership search; confer with I. Smith re same.	.30
4/01/20	AD	Emails from and to and call with counsel for third-ranking mortgagee re: receivership and position on approval motion; reviewing material and preparing for motion.	1.20
4/02/20	AD	Various emails to and from counsel for applicant and second-ranking mortgagee re: status of priority dispute and position on motion; calls with counsel for applicant re: same; report to J. Haralovich; instructions to clerk re: orders and filing same with the Court; email from counsel for applicant re: foregoing; further correspondence from and to counsel for second-ranking mortgagee re: threat to seek adjournment of motion; email to and from J. Haralovich re: same and instructions; drafting and revising response to counsel's threat; email from applicant's counsel re: foregoing issues and proposed approach.	1.90

Invoice #: 314392 April 14, 2020
7507950 CANADA INC. et al.

Date	Atty	Description of Services Rendered	Hours
4/03/20	AD	Correspondence from counsel for purchaser re: status of discussions with counsel for second-ranking mortgagee and upcoming motion; correspondence to and from V. Vandergust re: same and reviewing parties position; email to and from J. Haralovich re: same and updated payout figures; call with purchaser's counsel re: issues re: approval motion and issues raised by counsel for second-ranking mortgagee.	.50

Total Hours: 41.20

Our Fee Herein: $ 13,500.00

DISBURSEMENTS

Description of Costs Advanced	Amount
Teraview Search Fee	237.20
Teraview Search	92.20
PPSA Search	24.00
Cyberbahn Fee	56.70
Teraview Executions/Sheriff Certificate	23.90
Photocopies and Printing	3.60
On Line Carswell Searches	49.35
Motions/Orders (non taxable)	320.00
Court Run Services	12.00
Courier Charges	242.15
Binding	1,895.89

Total Disbursements: $ 2,956.99

HST on Fees - 13.00%	$ 1,755.00
HST on Disbursements - 13.00%	$ 342.81

Total Taxes $ 2,097.81

Total Account $ 18,554.80

THIS IS OUR ACCOUNT

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John Haralovich
MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa, ON K1Z 1G3

April 14, 2020
Our File # 52064-01003
Invoice # 314392
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	$ 13,500.00
Total Costs	$ 2,956.99
Total Taxes	$ 2,097.81
Total Account	**$ 18,554.80**

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John Haralovich
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May 7, 2020
Our File # 52064-01003
Invoice # 315330
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: 7507950 CANADA INC. et al.

Our Fee Herein		$ 8,299.39
Total Disbursements		$ 561.67
HST on Fees - 13.00%	$ 1,078.92	
HST on Disbursements - 13.00%	$ 60.02	
Total Taxes		$ 1,138.94
Total Account		$ 10,000.00
Less Applied Trust Funds		$ 10,000.00
Total Amount Due		**$ 0.00**

Per: _____
Andre Ducasse
(0092)

E. & O.E.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

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May 7, 2020
Our File # 52064-01003
Invoice # 315330
GST/HST Reg. #121761480

INTERIM ACCOUNT

TO OUR FEE for professional services rendered and disbursements incurred with respect to the following matter and more particularly described as follows:

RE: 7507950 CANADA INC. et al.

FEES

Date	Atty	Description of Services Rendered
4/06/20	AD	Reviewing various emails from V. Vandergust to counsel for second-ranking mortgagee re: various issues re: subordination and standstill agreement and receiver's approval motion; reviewing subordination and standstill agreement and making notes re: same; instructions to clerk re: filing motion confirmation and order and reviewing same; call with J. Haralovich re: foregoing and issues re: approval motion.
4/07/20	AD	Email from and to V. Vandergust re: most recent communications with counsel for second-ranking mortgagee and issues re: its claim and approval motion; telephone attendance with V. Vandergust re: same and proposed course of action re: approval motion; call with J. Haralovich re: same.
4/08/20	AD	Correspondence from and to purchaser's counsel re: issues re: approval motion and proposed course of action re: same; memo to clerk re: filing hand ups with the Court updating execution and property searches; reviewing results of property and execution searches; correspondence from and to Court re: motion coordinates and filing further hand ups; various emails to and from counsel re: call in coordinates and positions of parties on motion; reviewing motion material and preparing for motion; correspondence to purchaser's counsel re: updated property and executions searches; emails to counsel for purchaser and applicant re: positions on motion; email from and to counsel from second-ranking mortgagee re: position on motion.

Invoice #: 315330 May 7, 2020
7507950 CANADA INC. et al.

Date	Atty	Description of Services Rendered
4/08/20	RD	Email from R. Chapman re searches; execution search; property search
4/09/20	SJ	Speak with A. Ducasse regarding approval of vesting order; instructions to law clerk regarding same and calculate closing date;
4/09/20	AD	Preparing for and attending approval motion; consultation with S. Johnson-Abbott re: outcome of motion and issues re: closing of transaction and next steps re: same.
4/14/20	SJ	Instructions to law clerk regarding closing documents; e-mail from and to A. Munroe regarding closing matters and extension request;
4/14/20	AD	Various emails from and to S. Johnson-Abbott re: closing issues and information re: same; email to and from J. Haralovich re: same and instructions.
4/15/20	AD	Correspondence from purchaser's counsel re: status of Court orders; correspondence to and from Court re: same; correspondence to counsel re: same.
4/16/20	SJ	Meeting with law clerk regarding closing documents; e-mail to purchaser's counsel regarding closing matters and vesting order;
4/16/20	AD	Correspondence from Court re: issued orders and reviewing same; reviewing file re: orders filed with the Court; various correspondence to and from Court re: issues re: issued and entered orders; consultation with S. Johnson-Abbott re: same and proposed course of action re: transaction; report to receiver re: foregoing; further correspondence to Court re: filing receiver's certificate post closing; correspondence to applicant's counsel re: issued orders and endorsement; correspondence to purchaser's counsel re: issued approval and vesting order; consultation with S. Johnson-Abbott re: issues re: closing transaction.
4/17/20	SJ	E-mails from and to A. Munroe regarding undertakings and clearing title; review order regarding discharges from title; telephone attendance with A. Ducasse regarding tax matters and e-mail to client regarding same;
4/17/20	AD	Various emails from and call with S. Johnson-Abbott re: closing issues and dealing with municipal taxes; various emails from J. Haralovich re: same; email from and to applicant re: closing.
4/20/20	SJ	Review and revise closing documentation; review statement of adjustments; e-mail to J. Haralovich regarding same;
4/20/20	AD	Various emails from and to S. Johnson-Abbott, J. Haralovich and applicant re: closing issues and statement of adjustments and next steps re: transaction.
4/22/20	SJ	Questions from Purchaser's counsel regarding deposit for leases; dealing with request for taxes and land transfer tax reduction matters; conference with A. Ducasse regarding same; conference call with J. Haralovich regarding same;

Invoice #: 315330 May 7, 2020
7507950 CANADA INC. et al.

Date	Atty	Description of Services Rendered
4/22/20	AD	Various consultations with S. Johnson-Abbott re: various issues raised by purchaser's counsel re: closing and operation of approval and vesting order and proposed course of action and proposing multiple transfers; reviewing various emails from S. Johnson-Abbott re: same; email to purchaser's counsel re: operation of approval and vesting order; correspondence from and to J. Haralovich re: same and proposed course of action; email from applicant's counsel re: foregoing; call with purchaser's counsel re: foregoing, available options and proposed course of action; reviewing Land Transfer Tax Act re: issues raise by purchaser's counsel; memo to S. Johnson-Abbott re: same; teleconference with J. Haralovich and S. Johnson-Abbott re: issues raised by purchaser's counsel, issues re: same and proposed course of action; correspondence from counsel for applicant's re: applicant's position on the issue; call with purchaser's counsel re: receiver's position and proposed course of action; correspondence to J. Haralovich re: same and advice in respect of next steps and issues raised by purchaser's counsel.
4/23/20	SJ	Telephone attendance with A. Ducasse; e-mails with client and purchaser's counsel regarding same; preparing for closing matters; update and review statement of adjustments; e-mail to J. Haralovich regarding same;
4/23/20	AD	Correspondence to and from J. Haralovich and S. Johnson-Abbott re: proposed correspondence to counsel for purchaser re: issues re: approval and vesting order; telephone attendances with S. Johnson-Abbott and J. Haralovich re: same and issues re: transaction; reviewing agreement of purchase and sale re: issues raised by purchaser's counsel; further calls with J. Haralovich re: same; follow up emails to counsel for purchaser and applicant re: receiver's position; call with applicant's counsel re: same and status of transaction and next steps re: same; drafting correspondence to purchaser's counsel re: receiver's position; memo to J. Haralovich and S. Johnson-Abbott.
4/24/20	SJ	Dealing with pre-closing matters; E-mails with purchaser's counsel regarding HST number and non-valid certification;
4/27/20	SJ	Attending to closing matters;
4/28/20	SJ	Dealing with post-closing matters; instructions to law clerk regarding PPSA removal and discharge to PPSA registrar;
4/28/20	AD	Various emails from S. Johnson-Abbott re: closing of transaction and issues re: same; email to and from applicant's counsel re: same; email to and call with J. Haralovich re: finalizing receivership and next steps re: same, including proposed course of action in respect of CRA claim.
4/29/20	SJ	Call with Avison Young regarding wire of surplus deposit;
4/30/20	SJ	Dealing with issue with wire of net sale proceeds and correct code;
5/04/20	SJ	Dealing with wire issues; instructions to law clerk regarding reporting matters; review and revise reporting letter;

Invoice #: 315330 May 7, 2020
7507950 CANADA INC. et al.

Our Fee Herein: **$ 8,299.39**

DISBURSEMENTS

Description of Costs Advanced	Amount
Teraview Search Fee	200.00
Teraview Search	119.90
Real Estate Transaction Levy	65.00
Corporate File Search	16.00
Cyberbahn Fee	24.00
Photocopies and Printing	28.80
Courier Charges	7.97
Cert. Cheques/Bank Drafts (non taxable)	100.00
Total Disbursements:	**$ 561.67**

HST on Fees - 13.00%	$ 1,078.92	
HST on Disbursements - 13.00%	$ 60.02	
Total Taxes		**$ 1,138.94**
Total Account		$ 10,000.00
Less Applied Trust Funds		$ 10,000.00
Total Amount Due		**$ 0.00**

THIS IS OUR ACCOUNT

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May 7, 2020
Our File # 52064-01003
Invoice # 315330
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	$ 8,299.39
Total Costs	$ 561.67
Total Taxes	$ 1,138.94
Total Account	$ 10,000.00
Less Applied Trust Funds	$ 10,000.00
Total Amount Due	**$ 0.00**

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August 11, 2020
Our File # 52064-01003
Invoice # 317963
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: 7507950 CANADA INC. et al.

Our Fee Herein		$ 746.50
Total Disbursements		$ 50.00
HST on Fees - 13.00%	$ 97.05	
Total Taxes		$ 97.05
Total Account		**$ 893.55**

André Ducasse
(0092)

E. & O.E.

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August 11, 2020
Our File # 52064-01003
Invoice # 317963
GST/HST Reg. #121761480

INTERIM ACCOUNT

TO OUR FEE for professional services rendered and disbursements incurred with respect to the following matter and more particularly described as follows:

RE: 7507950 CANADA INC. et al.

FEES

Date	Atty	Description of Services Rendered	Hours
4/21/20	MM	Email from S. Gardiner requesting corporate profile reports; Execute search; Email to S. Gardiner enclosing corporate profile reports.	.20
5/25/20	SJ	E-mail from PPSA registrar regarding discharge of PPSA registration numbers; e-mail to A. Ducasse regarding same.	.10
5/25/20	AD	Correspondence from S. Johnson-Abbott re: issues re: discharge of PPSA registration; reviewing correspondence from PPSA registrar and PPSA search results re: issues raised by registrar; correspondence to S. Johnson-Abbott re: same.	.30
6/15/20	SJ	E-mail from J. Haralovich regarding property tax arrears; instructions to law clerk regarding review of taxes.	.30
6/15/20	AD	Correspondence from J. Haralovich re: issues re: payment of property tax arrears.	.10
6/22/20	AD	Call with J. Haralovich re: status of receivership proceedings and next steps re: same.	.20
6/24/20	AD	Correspondence from and to J. Haralovich re: settlement of issue re: adjustment of municipal taxes.	.10
6/29/20	SJ	Revisions to reporting letter; e-mail to client regarding report.	.30
6/29/20	AD	Correspondence from S. Johnson-Abbott re: sales report and reviewing same.	.20

Invoice #: 317963 August 11, 2020
7507950 CANADA INC. et al.

Date	Atty	Description of Services Rendered	Hours
7/09/20	AD	Consultation with S. Johnson-Abbott re: issues re: sale; emails to and from J. Haralovich re: status of receivership proceedings and next steps.	.20

Total Hours: 2.00

Our Fee Herein: $ 746.50

DISBURSEMENTS

Description of Costs Advanced		Amount
Cert. Cheques/Bank Drafts (non taxable)		50.00
Total Disbursements:		**$ 50.00**
HST on Fees - 13.00%	$ 97.05	
Total Taxes		**$ 97.05**
Total Account		**$ 893.55**

THIS IS OUR ACCOUNT

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John Haralovich
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August 11, 2020
Our File # 52064-01003
Invoice # 317963
GST/HST Reg. #121761480

REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	$ 746.50
Total Costs	$ 50.00
Total Taxes	$ 97.05
Total Account	**$ 893.55**

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Soloway Wright | lawyers

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John Haralovich
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Ottawa, ON K1Z 1G3

September 11, 2020
Our File # 52064-01003
Invoice # 318912
GST/HST Reg. #121761480

INTERIM ACCOUNT SUMMARY

RE: 7507950 CANADA INC. et al.

Our Fee Herein		$ 4,838.00
Total Disbursements		$ .00
HST on Fees - 13.00%	$ 628.94	
Total Taxes		$ 628.94
Total Account		**$ 5,466.94**

André Ducasse
(0092)

E. & O.E.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

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MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa, ON K1Z 1G3

September 11, 2020
Our File # 52064-01003
Invoice # 318912
GST/HST Reg. #121761480

INTERIM ACCOUNT

TO OUR FEE for professional services rendered and disbursements incurred with respect to the following matter and more particularly described as follows:

RE: 7507950 CANADA INC. et al.

FEES

Date	Atty	Description of Services Rendered	Hours
8/17/20	AD	Emails from R. Broad and J. Haralovich re: status of receivership, holdback and next steps.	.10
9/01/20	AD	Call with J. Haralovich re: recent developments and Court report.	.10
9/02/20	AD	Correspondence from and to J. Haralovich re: receiver's second and final report to the Court; reviewing file, including receivership documents and pleadings re: same; drafting and revising receiver's second and final report to the Court; correspondence to J. Haralovich re: final report and further required information and motion material; drafting and revising notice of motion; reviewing file re: fee affidavit and documents re: same; drafting and revising fee affidavit; instructions to clerk re: foregoing motion material.	4.10
9/08/20	AD	Instructions to associate re: Factum and Authorities; correspondence from and to and call with J. Haralovich re: Court material and issues re: same; reviewing file re: fee affidavit; drafting and revising fee affidavit; instructions to clerk re: same; reviewing notice of motion; instructions to clerk re: order.	.90
9/08/20	CT	E-mails from and to A. Ducasse re: preparing Factum for Approving Receiver's Final Report.	.10
9/09/20	AD	Consultation with associate re: factum and authorities; drafting and revising fee affidavit and order; instructions to clerk re: same and motion record.	.90
9/09/20	CT	Draft Factum re: approval of Receiver's Final Report.	3.00
9/10/20	AD	Drafting and revising factum and reviewing authorities; instructions to associate re: same.	.50

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7507950 CANADA INC. et al.

Date	Atty	Description of Services Rendered	Hours
9/10/20	CT	Continue to draft Factum for Approval of Receiver's Final Report; e-mails to A. Ducasse re: same; revise Factum.	2.00
9/11/20	AD	Drafting, revising and finalizing motion material, including receiver's report, fee affidavit, notice of motion, order and factum; correspondence to J. Haralovich re: same.	2.60

Total Hours:		14.30
Our Fee Herein:		**$ 4,838.00**
HST on Fees - 13.00%	$ 628.94	
Total Taxes		**$ 628.94**
Total Account		**$ 5,466.94**

THIS IS OUR ACCOUNT

Soloway Wright | lawyers

Soloway Wright LLP
700 - 427 Laurier Avenue West
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John Haralovich
MNP Ltd.
1600 Carling Avenue, Suite 800
Ottawa, ON K1Z 1G3

September 11, 2020
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REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	$ 4,838.00
Total Costs	$ .00
Total Taxes	$ 628.94
Total Account	**$ 5,466.94**

To ensure proper credit to your account please return this remittance with your payment.

Please note payments can now be made by eTransfer to receivables@solowaywright.com (please include customer number 52064 in the message), or by means of the Bill Payment function of the major Canadian Banks, using customer number 52064.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION - and - CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7061358 CANADA INC.

Applicant Respondents

Court File No. CV-19-00080328-0000

ONTARIO SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP OF CASABELLA SUBSIDIARY LIMITED PARTNERSHIP AND 7061358 CANADA INC. of the City of Ottawa, in the Province of Ontario

Proceeding Commenced at Ottawa

AFFIDAVIT OF ROXANNE CHAPMAN
(sworn on September 11, 2020)

SOLOWAY WRIGHT LLP
Lawyers
700-427 Laurier Avenue West
Ottawa ON K1R 7Y2

André A. Ducasse - LSUC No.: 044739R
(613) 236-0111 telephone
(613) 238-8507 facsimile

Lawyers for the Court-Appointed Receiver, MNP Ltd.

Box 379