

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

BETWEEN:

**THE TORONTO-DOMINION BANK**

Applicant

and

**2012241 ONTARIO LIMITED**

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990 c. C.43, as amended**

**APPLICATION RECORD**

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# INDEX

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**APPLICATION RECORD**

**I N D E X**

<b>Tab</b>	<b>Document</b>	<b>Page No.</b>
1	Notice of Application issued November 14, 2011	1-8
A.	Draft Order	9-43
2	Affidavit of Kenneth Malcolm sworn November 10, 2011	44-65
A	Exhibit A – Corporate Profile Report for 2012241 Ontario Limited	66-77
B	Exhibit B – Parcel Register for 50 Sunny Meadow Circle, Brampton, Ontario	78-83
C	Exhibit C – Corporate Profile Report for 1611161 Ontario Limited	84-88
D	Exhibit D –	
	1 Commitment Letter between TD Bank and 2012241 Ontario Limited dated July 3, 2008	89-98
	2 Commitment Letter between TD Bank and 2012241 Ontario Limited dated December 12, 2008	99-107
	3 Commitment Letter between TD Bank and	

<b>Tab</b>	<b>Document</b>	<b>Page No.</b>
	2012241 Ontario Limited dated July 28, 2009	108-115
4	Commitment Letter between TD Bank and 2012241 Ontario Limited dated January 27, 2010	116-122
5	Commitment Letter between TD Bank and 2012241 Ontario Limited dated June 23, 2010	123-130
6	Commitment Letter between TD Bank and 2012241 Ontario Limited dated March 30, 2011	131-136
E	Exhibit E – General Security Agreement from 2012241 Ontario Limited dated September 10, 2008; Resolution of the Board of Directors of 2012241 Ontario Limited; and letter from Sidker Professional Corporation to TD Bank dated November 4, 2008	137-144
F	Exhibit F – General Security Agreement from 1611161 Ontario Limited dated September 10, 2008; Resolution of the Board of Directors of 1611161 Ontario Limited; and letter from Sidker Professional Corporation to TD Bank dated November 4, 2008	145-152
G	Exhibit G – PPSA Search for 2012241 Ontario Limited	153-160
H	Exhibit H – PPSA Search for 1611161 Ontario Limited	161-164
I	Exhibit I – Acknowledgement and Direction of 2012241 Ontario Limited; TD Bank Mortgage; Standard Charge Terms; and signed Acknowledgement of receipt of the Standard Charge Terms	165-178
J	Exhibit J – Charge registered as instrument number PR1418741 on February 21, 2008	179-184
K	Exhibit K – Postponement of Interest registered as instrument number PR1569920 on November 18, 2008	185-188
L	Exhibit L – Notice of Assignment of Rents registered as instrument number PR1418749 on February 21, 2008	189-193
M	Exhibit M – Postponement of Interest registered as instrument number PR1569921 on November 18, 2008	194-197

<b>Tab</b>	<b>Document</b>	<b>Page No.</b>
N	Exhibit N – Charge registered as instrument number PR1539845 on September 25, 2008	198-203
O	Exhibit O – Postponement of Interest registered as instrument number PR1569922 on November 18, 2008	204-207
P	Exhibit P – Notice of Assignment of Rents registered as instrument number PR1539924 on September 26, 2011	208-209
Q	Exhibit Q – Postponement of Interest registered as instrument number PR1569923 on November 18, 2008	210-213
R	Exhibit R – Acknowledgement of Priority and Standstill Undertaking registered as instrument number PR1681378 on August 5, 2009	214-217
S	Exhibit S – Inter-Lender Agreement dated September 22, 2009, registered as instrument number PR1720150 on October 15, 2009	218-224
T	Exhibit T – City of Brampton Tax Certificate dated October 4, 2011	225-226
U	Exhibit U – Unlimited Corporate Guarantee from 1611161 Ontario Limited, dated September 10, 2008	227-230
V	Exhibit V – Personal Guarantee from Ravinder Singh Chahal	231-234
W	Exhibit W – Personal Guarantee from Jagdev Dhaliwal	235-238
X	Exhibit X – Assignment of Term Deposits and Credit Balances issued by 2012241 Ontario Limited	239-240
Y	Exhibit Y – General Hypothecation of Stocks and Bonds issued by 2012241 Ontario Limited	241-243
Z	Exhibit Z – Versa Lien and the associated Certificate registered as Instrument No. PR1982084 on May 16, 2011	244-249
AA	Exhibit AA – Email from K. Malcolm to R. Chahal dated October 7, 2011	250-251
BB	Exhibit BB – Email from R. Chahal to K. Malcolm dated October 12, 2011 at 2:19 PM	252-253

<b>Tab</b>	<b>Document</b>	<b>Page No.</b>
CC	Exhibit CC – Email from K. Malcolm to R. Chahal dated October 12, 2011 at 3:33 PM	254-255
DD	Exhibit DD – Email from M. Wolfe to R. Chahal dated October 11, 2011 attaching engagement letter	256-261
EE	Exhibit EE – Email from R. Chahal to M. Wolfe dated October 11, 2011 at 2:50 PM	262-263
FF	Exhibit FF – Email from M. Wolfe to R. Chahal dated October 11, 2011	264-265
GG	Exhibit GG – Email from R. Chahal to M. Wolfe dated October 11, 2011 at 3:11 PM	266-267
HH	Exhibit HH – Email from M. Wolfe to R. Chahal dated October 11, 2011	268-269
II	Exhibit II – Email from R. Chahal to M. Wolfe dated October 11, 2011 at 4:12 PM	270-271
JJ	Exhibit JJ – Email from K. Malcolm to R. Chahal dated October 13, 2011 at 8:43 AM	272-273
KK	Exhibit KK – Email from R. Chahal to K. Malcolm dated October 16, 2011 at 7:36 PM	274-275
LL	Exhibit LL – Cheque from 2012241 Ontario Limited to TD Bank dated October 20, 2011	276-277
MM	Exhibit MM – NSF Cheque and Returned Item Advice dated October 24, 2011	278-280
NN	Exhibit NN – Demand Letters and Notices of Intention to Enforce Security under Section 244(1) of the BIA dated October 26, 2011	281-291
OO	Exhibit OO – Email from R. Chahal to K. Malcolm dated November 5, 2011 at 1:12 AM	292-293
PP	Exhibit PP – Email from R. Chahal to K. Malcolm dated November 7, 2011 with attached letter	294-300
QQ	Exhibit QQ - Consent of Ira Smith Trustee & Receiver Inc.	301-304

Tab 1

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

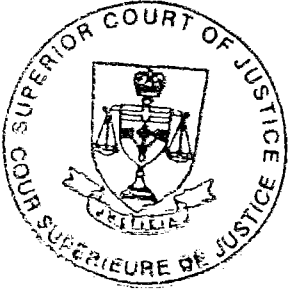
THE TORONTO-DOMINION BANK

Applicant

and

2012241 ONTARIO LIMITED

Respondent



APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended and S. 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990 c. C.43, as amended

NOTICE OF APPLICATION

TO THE RESPONDENT

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

*B* THIS APPLICATION will come for a hearing before a judge presiding over the commercial list court on *Friday* the *18<sup>th</sup>* day of November, 2011 at 330 University Avenue, Toronto, Ontario ✓

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on



the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least two days before the hearing.

**IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.**

Date: November 14, 2011

Issued by \_\_\_\_\_

Local registrar

Address of  
court office:

330 University Avenue  
7<sup>th</sup> Floor  
Toronto, Ontario  
M5G 1R7

**TO: 2012241 ONTARIO LIMITED**  
97 Sunforest Drive  
Brampton, Ontario  
L6Z 3Y5

## APPLICATION

### THE APPLICANT MAKES APPLICATION FOR:

- a) an order, if necessary, abridging the time for service and filing of this notice of application and the application record or, in the alternative, validating and/or dispensing with same;
- b) an order, substantially in the form attached at Schedule A hereto, appointing Ira Smith Trustee & Receiver Inc. ("**Ira Smith Trustee**") as receiver (in such capacities, the "**Receiver**"), without security, of all of the current and future assets, undertakings and properties of 2012241 Ontario Limited (the "**Debtor**"); and
- c) such further relief as is just.

### THE GROUNDS FOR THE APPLICATION ARE:

- a) The Debtor is an Ontario corporation with its registered office address being 97 Sunforest Drive, Brampton Ontario;
- b) Pursuant to a commitment letter dated July 3, 2008, as amended (the "**Loan Agreement**"), the applicant ("**TD Bank**") advanced the principal sum of \$12,500,000 (the "**Loan**") to the Debtor;
- c) The purpose of the Loan was to finance the construction of a three storey commercial condominium development ("**Condominium**") to be located at 50 Sunnymeadow Circle, Brampton, Ontario (the "**Property**");
- d) The Debtor has granted security in favour of TD Bank, thereby making TD Bank the Debtor's senior secured lender, including, without limitation, the following (collectively, the "**TD Bank Security**"):
  - (i) a general security agreement dated September 10, 2008, made by the Debtor in favour of TD Bank, which has been registered pursuant to the *Personal Property Security Act* (Ontario) and constitutes a perfected security interest in and to all of the assets of the Debtor, including the Property;

- (ii) a collateral mortgage, payable on demand, that is registered as a first Charge/Mortgage against title to the Property (the "**TD Bank Mortgage**");
  - (iii) postponements of four encumbrances that were previously registered against title to the Property by 1448037 Ontario Limited ("**144**") in favour of the TD Bank Mortgage;
  - (iv) an acknowledgment of priority and standstill undertaking from 144 in favour of TD Bank;
  - (v) a general security agreement from 1611161 Ontario Limited ("**161**"); and
  - (vi) personal guarantees from Ravinder Singh Chahal and Jagdev Dhaliwal, who are the Debtors' officers, directors and shareholders, each limited to the amount of \$4 million;
- e) the Debtor has committed events of default under the Loan Agreement and the TD Bank Security, including the following;
- (i) failing to repay the Loan by June 15, 2011;
  - (ii) failing to make interest payments due to TD Bank under the TD Bank Mortgage for almost three months;
  - (iii) failing to repay an overdrawn account;
  - (iv) failing to account for the use of the funds for which the over-draft was authorised;
  - (v) failing to pay a \$60,000 extension fee due to TD Bank pursuant to the Loan Agreement;
  - (vi) failing to discharge a lien registered against title to the Property within thirty days of the lien being registered; and
  - (vii) failing to provide TD Bank details regarding the delay in registering the Condominium or the status of agreements of purchase and sale;
- f) when confronted by TD Bank about these events of default, the Debtor advised TD Bank that:

- (i) it would immediately pay the interest arrears, extension fee and the overdraft, for a total of \$285,000; and
- (ii) it would immediately retain, at the Debtor's own cost, a consultant suggested by TD Bank, to review and assess the Debtor's books, records, assets and operations (the "**Review and Assessment**"), and report on:
  - (1) the agreements of purchase and sale entered into by the Debtor with purchasers of the Condominium's units, including all amending or extension agreements, and the reconciliation of the deposits being held in trust as they relate to such agreements;
  - (2) the status of the registration of the Condominium and the reasons for the delay in registering it; and
  - (3) any other matter pertaining to the Debtor's viability and relationships with its creditors.
- g) rather than immediately pay the amount promised to TD Bank, the Debtor provided TD Bank with a post-dated cheque, which TD Bank was unable to certify because there were insufficient funds in the Debtor's bank account, and when the cheque was presented for conventional clearing, it was dishonoured;
- h) the Debtor refused to sign the engagement letter to allow the consultant to conduct the Review and Assessment;
- i) the Loan Agreement provides, *inter alia*, that in the event of a default, TD Bank may demand payment and enforce the TD Bank Security;
- j) demand letters and notices of intention to enforce its security under section 244(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3, as amended, were issued on October 26, 2011;
- k) the Debtor is, as at October 26, 2011, indebted to TD Bank in the total amount of \$12,729,112.54, plus legal fees and accruing interest (the "**Indebtedness**");
- l) after receiving the Demands and Notices, the Debtor has:

- (i) changed its bank account and has failed to advise TD Bank of the location of the new bank account; and
- (ii) threatened to cancel agreements of purchase and sale that it entered into with purchasers of units in the Condominium;
- m) it is just and equitable that a Receiver be appointed in order to protect and preserve the Debtor's assets for the benefit of all stakeholders, including TD Bank, construction lien claimants and purchasers of units in the Condominium;
- n) Ira Smith Trustee is a licensed trustee in bankruptcy and is familiar with the circumstances set out above;
- o) Ira Smith Trustee has consented to being appointed as the Receiver, without security, of all of the assets, undertakings and properties of the Debtor;
- p) section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- q) section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended;
- r) Rules 1.04, 2.03, 3.02, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- s) such further grounds as this Honourable Court may permit.

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

- a) the affidavit of Kenneth Malcolm, sworn November 10, 2011;
- b) the consent of Ira Smith Trustee to act as the Receiver, dated November 10, 2011; and
- c) such other material as is required.

November 14, 2011

**AIRD & BERLIS LLP**  
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**Sanj Sood – LSUC No. 42137R**

Lawyers for the Applicant

THE TORONTO-DOMINION BANK

- and -

2012241 ONTARIO LIMITED

Applicant

Respondent

*2-11-9456-0001*

Court File No.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at Toronto

NOTICE OF APPLICATION

**AIRD & BERLIS LLP**  
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Tel: 416.863.1500  
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**Sanj Sood - LSUC No. 42137R**

Lawyers for the Applicant

# Tab A



Court File No.

ONTARIO  
SUPERIOR COURT OF JUSTICE

THE HONOURABLE ) WEEKDAY, THE  
JUSTICE ) DAY OF NOVEMBER, 2011  
)

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

2012241 ONTARIO LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43, as amended**

**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 Ira Smith Trustee and Receiver Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2012241 Ontario Limited (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Kenneth Malcolm sworn November 10, 2011 and the exhibits thereto, on hearing the submissions of counsel for Applicant no one appearing for 2012241 Ontario Limited although duly served as appears from the affidavit of service of [NAME] sworn [DATE], and on reading the consent of Ira Smith Trustee and Receiver Inc. to act as the Receiver,

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the notice of application and the application record 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, Ira Smith Trustee and Receiver Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

**RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (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 Debtor, 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 \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$150,000; 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 Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor 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 Debtor, and without interference from any other Person.

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

4. **THIS COURT ORDERS** that (i) the Debtor, (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 Debtor, 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.

**NO PROCEEDINGS AGAINST THE RECEIVER**

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of

the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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**

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering,



interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor 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**

12. **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**

13. **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**

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

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

15. **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**

16. **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**

17. **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.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **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**

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. **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.

22. **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.

23. **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.

#### **GENERAL**

24. **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.

25. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. **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.

27. **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.

28. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, 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 Debtor's estate with such priority and at such time as this Court may determine.

29. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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## Schedule "A"

**RECEIVER CERTIFICATE**

CERTIFICATE NO.

AMOUNT \$

1. THIS IS TO CERTIFY that Ira Smith Trustee and Receiver Inc., the receiver (the "Receiver") of the assets, undertakings and properties 2012241 Ontario Limited acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_\_\_ of MONTH, 20YR (the "Order") made in an action having Court file number \_\_\_\_\_ -CL- \_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the            day of MONTH, 20YR.

Ira Smith Trustee and Receiver Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

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





January 15, 2010

s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver Court File No. □□□□

ONTARIO  
SUPERIOR COURT OF JUSTICE  
~~COMMERCIAL LIST~~

THE HONOURABLE □□□□□ )  
 ) WEEKDAY, THE #  
 )  
 )  
 JUSTICE □□□□□ )  
 ) DAY OF MONTH NOVEMBER, 20 YR 2011

BETWEEN:

**PLAINTIFF**

Plaintiff

THE TORONTO-DOMINION BANK

Applicant

- and -

**DEFENDANT**

Defendant

2012241 ONTARIO LIMITED

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY  
ACT, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE COURTS OF JUSTICE  
ACT, R.S.O. 1990 c. C.43, as amended

## ORDER

~~THIS MOTION~~ **APPLICATION** made by the ~~Plaintiff~~ 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 ~~[RECEIVER'S NAME]~~ Ira Smith Trustee and Receiver Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ 2012241 Ontario Limited (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of ~~[NAME]~~ sworn [DATE] Kenneth Malcolm sworn November 10, 2011 and the ~~Exhibits~~ exhibits thereto ~~and~~, on hearing the submissions of counsel for ~~[NAMES]~~, Applicant no one appearing for ~~[NAME]~~ 2012241 Ontario Limited although duly served as appears from the affidavit of service of ~~[NAME]~~ sworn [ ] sworn [DATE] ] and on reading the consent of ~~[RECEIVER'S NAME]~~ Ira Smith Trustee and Receiver Inc. to act as the Receiver,

### SERVICE

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

### APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~ Ira Smith Trustee and Receiver Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

### RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (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 Debtor, 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 \$~~500,000~~,50,000, provided that the aggregate consideration for all such transactions does not exceed \$~~500,000~~150,000; 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 Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor 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 Debtor, and without interference from any other Person.

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

4. **THIS COURT ORDERS** that (i) the Debtor, (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 Debtor, 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.

**NO PROCEEDINGS AGAINST THE RECEIVER**

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that

nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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**

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor 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

12. **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

13. **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

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

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

15. **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**

16. **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**

17. **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.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **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**

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~250,000~~250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. **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.

22. **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.

23. **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.

#### **GENERAL**

24. **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.

25. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. **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.

27. **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.

28. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, 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 Debtor's estate with such priority and at such time as this Court may determine.

29. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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~~SCHEDULE~~ Schedule "A"

## RECEIVER CERTIFICATE

CERTIFICATE NO. □□□□□

AMOUNT \$□□□□□

1. THIS IS TO CERTIFY that ~~{RECEIVER'S NAME}~~ Ira Smith Trustee and Receiver Inc., the receiver (the "Receiver") of the assets, undertakings and properties ~~{DEBTOR'S NAME}~~ 2012241 Ontario Limited acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the □□□□ of MONTH, 20YR (the "Order") made in an action having Court file number □□□□□-CL-□□□□□, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$□□□□□, being part of the total principal sum of \$□□□□□ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set

out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the □□□□ day of MONTH, 20YR.

[RECEIVER'S NAME], solely in its capacity  
~~as Receiver of the Property, and not in its  
personal capacity~~

Per: □□□□□

---

Name: □□□□□

Title: □□□□□

41393005-1

Ira Smith Trustee and Receiver Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

4139300511369058\_1

Per:

Name:

Title:

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Document comparison by Workshare Professional on November 14, 2011  
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Moved to	0
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Format changed	0
Total changes	110

Tab 2

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

and

2012241 ONTARIO LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43, as amended**

**AFFIDAVIT OF KENNETH J. MALCOLM  
(Sworn November 10, 2011)**

I, KENNETH J. MALCOLM, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Manager, Commercial Credit, Financial Restructuring Group, of the applicant ("**TD Bank**"). I am the individual at TD Bank now responsible for managing and collecting the loans advanced to the respondent (the "**Debtor**"). As such, I have knowledge of the matters to which I hereinafter depose. To the extent that I do not have direct first-hand knowledge of particular facts or events, I have obtained that information from others, and have indicated the source of that information in my affidavit, which I believe to be true.

### THE PURPOSE OF THE APPLICATION

2. TD Bank is seeking an order to appoint Ira Smith Trustee & Receiver Inc. ("**Ira Smith Trustee**"), a licensed bankruptcy trustee, as receiver ("**Receiver**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("**BIA**"), and/or section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended ("**CJA**"), without security, of all of the Debtor's current and future assets, undertakings and properties.

### THE INDIVIDUALS AND ENTITIES REFERENCED HEREIN

3. TD Bank is a chartered bank that carries on business throughout Canada, including in Toronto, Ontario.

4. The Debtor is an Ontario corporation. Its registered office address was 470 Chrysler Drive, Unit 20, Brampton, Ontario. Its current registered office address is 97 Sunforest Drive, Brampton, Ontario. Attached hereto as **Exhibit A** is a corporate profile report for the Debtor dated November 7, 2011.

5. The Debtor owns certain lands known municipally as 50 Sunny Meadow Circle, Brampton, Ontario (the "**Property**"), on which it is building a three storey commercial condominium (the "**Condominium**"). The Property's legal description is attached at Schedule A to this affidavit. A parcel register for the Property, dated November 7, 2011 (the "**Parcel Register**"), is attached hereto as **Exhibit B**.

6. Ravinder Singh Chahal ("**Chahal**") is an Ontario resident. He is an officer and director of the Debtor and holds fifty percent of the Debtor's shares.

7. Jagdev Dhaliwal ("**Dhaliwal**") is an Ontario resident. He is an officer and director of the Debtor and holds fifty percent of the Debtor's shares. I am unaware who Jagdev Dhaliwal and Jasdev Dhaliwal are even though they are listed to be directors of 201.

8. 1611161 Ontario Limited ("161") is an Ontario corporation. Sandeep Chahal and Jaldev Dhaliwal are reported to be the directors of 161. A corporate profile report for 161 dated November 7, 2011, is attached hereto as **Exhibit C**.

#### **THE DEBTOR'S INDEBTEDNESS TO TD BANK**

##### ***The Loan Agreement***

9. The Debtor is, as at October 26, 2011, indebted to TD Bank in the amount of \$12,729,112.54, plus legal fees, pursuant to a commitment letter dated July 3, 2008, as amended by commitment letters dated December 12, 2008, July 28, 2009, January 27, 2010, June 23, 2010 and March 30, 2011 (collectively the "**Loan Agreement**"), between the Debtor and TD Bank. Interest and fees continue to accrue. The Loan Agreement is attached hereto as **Exhibit D-1 – D-6**.

10. The Loan Agreement provides that TD Bank will make available to the Debtor two credit facilities (together the "**Loan**"), as follows:

- (a) A loan, repayable on demand, in the amount of \$12,225,883, with interest accruing at TD Bank's prime rate of interest (as defined in the Loan Agreement) plus 1.75% *per annum*, to finance construction of the Property (the "**First Credit Facility**"); and
- (b) Letters of Credit/Guarantee in the amount of \$274,117, with interest accruing at 1.00% *per annum*, to support performance guarantees issued by the Debtor (the "**Second Credit Facility**").

11. Interest on the First Credit Facility is calculated daily and payable monthly in arrears based on the number of days that the monies are outstanding. Interest on the Second Credit Facility is payable monthly in advance.



12. As set out below, the Loan Agreement was amended on several occasions because, among other things, the Debtor failed to repay the Loan Agreement in accordance with its terms.

13. The July 3, 2008 commitment letter (Exhibit D-1) provides that the Debtor shall repay the First Credit Facility by January 31, 2010, assuming that the First Credit Facility was activated in July 2008. If the First Credit Facility was not activated in July 2008, then the Debtor was obliged to repay the First Credit Facility within eighteen months of activation. The First Credit Facility was activated on December 18, 2008.

14. At the Debtor's request, the date for repayment of the First Credit Facility was extended to May 31, 2010, pursuant to a commitment letter dated January 27, 2010 (Exhibit D-4).

15. Pursuant to a further request from the Debtor, the date for repayment of the First Credit Facility was again extended, to November 30, 2010, pursuant to a commitment letter dated June 23, 2010 (Exhibit D-5).

16. Pursuant to yet another request from the Debtor, the date for repayment of the First Credit Facility was again extended, to June 15, 2011, pursuant to a commitment letter dated March 30, 2011 (Exhibit D-6).

17. Alan Bensky, Vice-President, Mississauga Real Estate, was the individual at TD Bank who was managing the Debtor's account when the above-noted extensions to repay the First Credit Facility were requested by the Debtor. I am advised by Mr. Bensky, and believe, that each time that the repayment term of the First Credit Facility was extended, it was because:

- (a) the Debtor had not completed the measures required to register the Condominium;

- 5 -

- (b) the Debtor was accordingly unable to close the agreements of purchase and sale in which it had entered with purchasers of the Condominium's units; and
- (c) as a result, the Debtor had not received proceeds of sale from the aforementioned purchasers from which it could repay the First Credit Facility.

***The Security – General Security Agreements***

18. The Debtor's indebtedness to TD Bank is secured by the following:
- (a) a general security agreement made by the Debtor in favour of TD Bank (the "**Debtor GSA**"), dated September 10, 2008, along with a corporate resolution authorising the Debtor to grant the GSA, and a lawyer's letter of opinion, all of which are attached hereto as **Exhibit E**; and
  - (b) a general security agreement from 161 (the "**161 GSA**"), dated September 10, 2008, along with a corporate resolution from 161 authorising 161 to grant the GSA, and a lawyer's letter of opinion, all of which are attached hereto as **Exhibit F**.
19. TD Bank made the following registrations pursuant to the *Personal Property Security Act* (Ontario) (the "**PPSA**") in respect of its security interest in the Debtor's and 161's assets:
- (a) on August 7, 2008, for five years, pursuant to Registration No. 20080807 0938 1862 6843 against the inventory, equipment, accounts, other (motor vehicle included) of the Debtor; and
  - (b) on August 7, 2008, for five years, pursuant to Registration No. 20080807 0936 1862 6842 against the inventory, equipment, accounts, other (motor vehicle included) of 161.

- 6 -

20. A copy of the PPSA search results for the Debtor, with currency to September 29, 2011, is attached hereto as **Exhibit G**. A copy of the PPSA search results for 161, with currency to September 29, 2011, is attached hereto as **Exhibit H**.

21. By virtue of the PPSA registrations referenced above, the TD Bank security constitutes a perfected security interest in and to all of the assets and undertaking of the Debtor and of 161. Further, TD Bank holds a first registered priority general security interest against the inventory, equipment, accounts, and other (motor vehicle included) of the Debtor and of 161.

***The Security – Collateral Mortgage Granted to TD Bank Against the Property***

22. As further security for its obligations, the Debtor granted TD Bank a demand collateral mortgage on the Property in the amount of \$12,500,000 (the "**TD Bank Mortgage**"). The TD Bank Mortgage was registered against title to the Property as a first Charge/Mortgage in the applicable land registry office on October 20, 2008 as instrument number PR1554408. The TD Bank Mortgage, along with the standard charge terms and a signed acknowledgement of receipt of the standard charge terms are attached hereto as **Exhibit I**.

23. The Parcel Register (attached at Exhibit B) evidences four encumbrances registered prior to that of TD Bank, all in favour of 1448037 Ontario Limited ("**144**"). Each one of these encumbrances has been subordinated and postponed by 144 in favour of the TD Bank Mortgage, as follows:

- (a) a charge in the original principal amount of \$400,000, attached hereto as **Exhibit J**, registered as instrument number PR1418741 on February 21, 2008, was postponed in favour of the TD Bank Mortgage pursuant to an Acknowledgment and Direction (Postponement of \$400,000 Charge), attached hereto as **Exhibit K**, and registered against title to the Property on November 18, 2008 as instrument number PR1569920;

- 7 -

- (b) an encumbrance pertaining to the assignment of rents, attached hereto as **Exhibit L**, and registered as instrument number PR1418749 on February 21, 2008, was postponed in favour of the TD Bank Mortgage pursuant to an Acknowledgment and Direction (Postponement of GAR re: \$400,000 Charge), attached hereto as **Exhibit M**, and registered against title to the Property on November 18, 2008 as instrument number PR1569921;
- (c) a charge in the original principal amount of \$864,070, attached hereto as **Exhibit N**, registered as instrument number PR1539845 on September 25, 2008, was postponed in favour of the TD Bank Mortgage pursuant to an Acknowledgment and Direction (Postponement of \$864,070.00 Charge), attached hereto as **Exhibit O**, and registered against title to the Property on November 18, 2008 as instrument number PR1569922; and
- (d) an encumbrance pertaining to the assignment of rents, attached hereto as **Exhibit P**, registered as instrument number PR1539924 on September 26, 2008, was postponed in favour of the TD Bank Mortgage pursuant to an Acknowledgment and Direction (Postponement of GAR re: \$864,070.00 Charge), attached hereto as **Exhibit Q**, and registered against title to the Property on November 18, 2008 as instrument number PR1569923.

24. In addition to the subordination and postponement of the encumbrances referenced above, TD Bank and 144 also entered into an Acknowledgement of Priority and Standstill Undertaking (the "**Standstill Undertaking**"), attached hereto as **Exhibit R**, and registered against title to the Property as instrument number PR1681378 on August 5, 2009. This agreement provides that TD Bank shall have undisputed priority over all rights, title and interest which 144 may have in the Property pursuant to its registrations.

- 8 -

25. Additionally, TD Bank, 144, 161, Chahal, Dhaliwal and the Debtor entered into an Inter-Lender Agreement on September 22, 2009, attached hereto as **Exhibit S**, and registered against title to the Property as instrument number PR1720150 on October 15, 2009. Pursuant to this agreement, all of the parties to this agreement consented to be bound by the terms of the Standstill Undertaking.

26. As a result of all of the above, the TD Bank Mortgage represents a first charge against title to the Property.

27. The Parcel Register also reveals that the following additional instruments have been registered on title since the Debtor granted TD Bank the TD Bank Mortgage:

Instrument No.	Document Type	Granted to/on
PR1785468	Application (General) being a Certificate of Pending Litigation	H S G Properties Incorporated
PR1803331	Postponement of the Certificate of Pending Litigation to PR1554408 (Charge in favour of TD)	H S G Properties Incorporated
PR1982084	Construction Lien in the amount of \$383,399	Versa Construction Limited
PR2003837	Certificate of Action in connection with the above construction lien	Versa Construction Limited

28. Additionally, I have learned that there are currently tax arrears relating to the Property owed to the City of Brampton totalling \$29,220.18 as of October 4, 2011. A copy of the tax certificate is attached hereto as **Exhibit T**.

***Additional Security***

29. TD Bank also received the following additional security:
- (a) an unlimited corporate guarantee from 161, dated September 10, 2008, attached hereto as **Exhibit U**;
  - (b) personal guarantees from Chahal and Dhaliwal, each limited to the amount of \$4 million, attached hereto as **Exhibits V** and **W** respectively;
  - (c) Assignment of Term Deposits and Credit Balances in the amount of \$500,000 issued by the Debtor, attached hereto as **Exhibit X**;
  - (d) General Hypothecation of Stocks and Bonds issued by the Debtor, attached hereto as **Exhibit Y**.

**THE DEBTOR'S DEFAULTS ON ITS OBLIGATIONS TO TD BANK*****The Failure to Make Payments Due to TD Bank – Repayment of the First Credit Facility***

30. The Loan Agreement provides that the Debtor shall repay the First Credit Facility by June 15, 2011. The First Credit Facility was not repaid on this date. As of the date of this affidavit, the First Credit Facility has still not been repaid.

***The Failure to Make Payments Due to TD Bank – Extension Fee***

31. When the date for repayment of the First Credit Facility was extended from November 30, 2011 to June 15, 2011, the Debtor agreed to pay TD Bank an extension fee of \$60,000. As of the date of this affidavit, the Debtor has failed to pay this amount to TD Bank.

***The Failure to Make Payments Due to TD Bank – Repayment of Overdraft***

32. Further, the Debtor has allowed its account to remain overdrawn by \$75,000, which overdraft has not been repaid.

- 10 -

33. TD Bank permitted the overdraft because the Debtor advised TD Bank that it was required to pay Versa Construction Limited ("**Versa Construction**"), the general contractor retained by the Debtor to construct the Condominium, the final holdback due to it. The Debtor advised TD Bank that although it had the majority of the funds to pay the final holdback, it required some further funds to make the full payment.

34. The overdraft was accordingly authorized for the purpose of allowing the Debtor to pay the full amount of the final holdback to Versa Construction. The overdraft was to be repaid.

35. As set out below, Versa Construction has registered a lien against title to the Property. The Debtor has not advised TD Bank the reason that this lien was registered given that it was required to use the overdraft to pay the full amount of the final holdback due to Versa Construction. In any event, the overdraft has still not been repaid.

***The Failure to Make Payments Due to TD Bank – Interest Payments***

36. Further, contrary to the terms of the Loan Agreement, commencing August 31, 2011 and continuing to the date that this affidavit is sworn, being a period of approximately three months, the Debtor has failed to make the monthly interest payments due to TD Bank. As at October 20, 2011, interest arrears are approximately \$147,000 and continue to accrue.

***The Failure to Discharge Liens Registered Against Title to the Property***

37. The Loan Agreement provides that in the event that construction liens are registered against title to the Property, such liens are to be cleared from title to the Property no later than thirty days after they are registered.

38. Contrary to its obligations in this regard, as of the date of my affidavit, the Debtor has failed to discharge a construction lien registered by Versa Construction Limited against title to the Property on March 30, 2011 as Instrument No. PR1982084 in the amount of \$383,399 (the

- 11 -

"Versa Lien"). The Versa Lien and the associated Certificate, which was registered against title to the Property on May 16, 2011, as Instrument No. PR2003837, are attached hereto as **Exhibit Z**.

***THE OCTOBER 4<sup>TH</sup> MEETING WITH THE DEBTOR***

39. On October 4, 2011, I attended at the Property and met with Chahal. I was concerned with the Debtor's failure to pay the amounts due to TD Bank and its failure to discharge the Versa Lien. These failures suggested to me that the Debtor did not have the financial means to meet its obligations to TD Bank.

40. I was also concerned about the status of agreements of purchase and sale entered into by purchasers of units in the Condominium. The Debtor had missed the June 15, 2011 deadline to repay the First Credit Facility, presumably because it was unable to register the Condominium. Although TD Bank had previously agreed to extend the date for repayment of the Loan, as set out above, the Debtor had not provided TD Bank with evidence that agreements of purchase and sale with unit holders had been similarly extended. I was concerned that the significant delays in registering the Condominium could result in purchasers rescinding their agreements to purchase units in the Condominium, over which TD Bank has security, and TD Bank required comfort that its security was not in jeopardy.

41. Accordingly, the purpose of the meeting, from my point of view, was to determine:

- (a) why the Debtor had failed to make the interest payments due pursuant to the Loan Agreement;
- (b) why the Debtor had not repaid the overdraft;
- (c) why the Debtor had failed to vacate the Versa Lien;



- 12 -

- (d) the status of the Condominium project;
- (e) when the Condominium was likely to be registered and the TD Bank repaid;
- (f) the status of the purchase and sale agreements with buyers who had purchased units in the Condominium; and
- (g) the status of existing and additional cost over-runs.

42. I also intended on impressing on Chahal and Dhaliwal the need to immediately repay to TD Bank the interest arrears, the overdraft and the extension fee, and to retain an expert to review the Debtor's financial wherewithal, the status of the agreements of purchase sale, review why there had been a delay in registering the Condominium, and determine how the registration of the Condominium could be expedited and the agreements of purchase and sale with purchasers of the units closed.

43. At the meeting, Chahal gave me a tour of the Condominium. I noted that some units appeared to be occupied. Chahal confirmed to me that some purchasers had closed on an interim basis. Assuming this to be true, I expected that these purchasers would be paying the Debtor interim occupancy fees. I was accordingly concerned why the Debtor had failed to fulfill its monetary obligations to TD Bank, since it should be receiving this stream of revenue.

44. Once the tour was completed, I expressed my concerns to Chahal about the Debtor's failure to pay the amounts owed to TD Bank, the delay in registering the Condominium, and the failure to repay the Loan. Chahal stated that he understood and appreciated TD Bank's concerns. He advised me that he would cause the Debtor to:

- (a) immediately pay the interest arrears, the overdraft and the extension fee; and

- 13 -

- (b) retain, at the Debtor's own cost, a consultant suggested by TD Bank, to review and assess the Debtor's books, records, assets and operations (the "**Review and Assessment**"), and report on:
  - (i) the agreements of purchase and sale entered into by the Debtor with purchasers of the Condominium's units, including all amending or extension agreements, and the reconciliation of the deposits being held in trust as they relate to such agreements;
  - (ii) the status of the registration of the Condominium and the reasons for the delay in registering it; and
  - (iii) any other matter pertaining to the Debtor's viability and relationships with its creditors.

#### ***THE DEBTOR RENEGES ON THE OCTOBER 4<sup>TH</sup> AGREEMENT***

45. Between October 4, 2011 and October 26, 2011, the Debtor engaged in a course of conduct in which it appeared to be renegeing on the agreement that we reached on October 4, 2011, and to avoid its payment obligations to TD Bank and its commitment to retain a consultant to conduct the Review and Assessment.

46. By email dated October 7, 2011, attached hereto as **Exhibit AA**, I wrote to Chahal and asked that he contact me immediately. I was required to communicate with Chahal in this manner because he rarely, if ever, answered the telephone when I called him, and his voicemail was unable to accept messages because the mailbox was inevitably full and would not accept messages.

- 14 -

47. When Chahal returned my call, I reminded him of the commitments that he made on October 4, 2011 to repay the monies owed to TD Bank and to engage a consultant to conduct the Review and Assessment.

48. On October 12, 2007, Chahal responded by email and asked me to send him a breakdown of the funds that he had agreed to pay. This email is attached hereto as **Exhibit BB**.

49. That same day, I responded to Chahal by email, attached hereto as **Exhibit CC**. I confirmed to Chahal that the monies were due no later than October 14, 2011, and provided him with a detailed breakdown of the amounts TD Bank required the Debtor to pay, as follows:

		<b>Rounded*</b>
Overdraft	\$73,491.02	
Interest Due	<u>\$ 887.88</u>	
Total	\$74,378.90	<b>\$74,000</b>
Demand Loan		
Interest Aug/Sept	\$98,644.16	
Oct to Oct. 20, 2011	<u>\$47,731.19</u>	
Total	\$146,375.35	<b>\$147,000</b>
Monthly Letter of Credit Fees	\$228.43	<b>\$1,000</b>
Contingency		<b>\$3,000</b>
Negotiated Default Fee Due June 30, 2011	\$60,000.00	<b>\$60,000</b>
<b>Total</b>		<b>\$285,000*</b>

\*Includes contingencies

50. I am advised by Marty Wolfe, a chartered accountant employed at Ira Smith Trustee, the consultant selected by TD Bank to conduct the Review and Assessment, and believe, that on October 11, 2011, he wrote to Chahal, enclosed the engagement letter which outlined the

- 15 -

services to be performed by Ira Smith Trustee, and scheduled a meeting for October 12, 2011. Mr. Wolfe's email to the Debtor, and the engagement letter, are attached hereto as **Exhibit DD**.

51. By email dated October 11, 2011, attached hereto as **Exhibit EE**, Chahal wrote to Wolfe and advised him that he would be forwarding the engagement letter ". . .to my Lawyer and waiting for thier instructions, will contact you as soon as he has reviewed it. I guess their is no sense in meeting tomorrow untill I get my councils input" [sic].

52. That same day, Wolfe responded to Chahal by email, which is attached hereto as **Exhibit FF**. Wolfe advised Chahal that it was of great urgency that the meeting take place the following day, to advise his lawyer that time is of the essence, and that he would not cancel the meeting that had been scheduled.

53. On October 11, 2011, Chahal responded to Wolfe by email, attached hereto as **Exhibit GG**, and stated that:

That is impossible, I have a large investment here that I have to protect and make sure all my clients interests are protected, are you trying to force yourself upon this project without our council properly instructing us? I will met with you when my council has time and instructed us. You are to work with us not against us, and if that is your manner then we will do everything to protect ourselves, we are in our final stages ok getting off work condominium registered, we do not want to take any actions work that will jeopardize everybody's interests!!! [sic]

54. Wolfe responded to this email by requesting that the Debtor sign the engagement letter by the end of day tomorrow (October 12) or at the latest by noon on Thursday (October 13, 2011). This email is attached hereto as **Exhibit HH**.

55. Chahal responded to Wolfe's request by email dated October 11, 2011 and stated that he wished to work with Wolfe and anticipated to be able to meet on Thursday (October 13) morning. This email is attached hereto as **Exhibit II**.

- 16 -

56. I am advised by Wolfe, and believe, that on October 12, 2011, Chahal unilaterally cancelled the meeting scheduled for October 13, 2011, and re-scheduled it for the following day (October 14, 2011).

57. On October 13, 2011, I wrote to Chahal and directed him to provide Wolfe with the cheque for \$285,000 when they met. This email is attached hereto as **Exhibit JJ**.

58. I am advised by Wolfe, and believe, as follows:

- (a) he attended at the Debtor's premises on October 14, 2011, for a meeting;
- (b) the purpose of the meeting was to collect the engagement letter signed by the Debtor, collect the cheque in the amount of \$285,000 and commence the Review and Assessment;
- (c) he met with Chahal and Dhaliwal;
- (d) after receiving a tour of the Condominium, he was provided with an uncertified cheque made payable to TD Bank in the amount of \$285,000;
- (e) the cheque was post-dated to October 20, 2011; and
- (f) he was advised by Chahal and Dhaliwal that the engagement letter was not signed because it had not been reviewed by the Debtor's legal counsel, however, its lawyer would do so on Monday (October 17, 2011).

59. On October 16, 2011, I received an email from Chahal, which is attached hereto as **Exhibit KK**. The email provides as follows:

Kenneth, hope you had a great weekend,

- 17 -

did you received the check? please deposit so we can bring our account up to date, I was jut told by Jagdev that the funds where on hold on our account till Tuesday that is why he wrote Thursday, if I would of known this I would of went to the branch myself to get the funds cleared RIGHT AWAY AS SOON AS DEPOSITED, I will go to the branch tomorrow to see if i can get it cleared, if not our checks don't bounce and it Will cleared as soon as it is deposited> [sic]

60. I understood this email to mean that TD Bank should proceed to deposit the cheque and that the Debtor would take measures to ensure that is clears. TD Bank was unable to immediately deposit the cheque, however, since it was post-dated to October 20, 2011.

61. The Debtor had advised TD Bank that it held a bank account at Duca Financial Services Credit Union Ltd. ("**Duca Financial**"). Accordingly, on October 20, 2011, I attended at Duca Financial to attempt to certify the cheque provided to me by the Debtor. A copy of the cheque is attached hereto as **Exhibit LL**. The branch manager with whom I spoke, named Ramsey Fashho, advised me, and I believed, that Duca Financial would not certify the cheque as there were insufficient funds in the Debtor's bank account to honour it.

62. I accordingly deposited the cheque for conventional clearing on October 20, 2011. Despite Chahal's representations contained in his email dated October 16, 2011, the cheque was dishonoured. A copy of the cheque and Returned Item Advice dated October 24, 2011 is attached hereto as **Exhibit MM**.

63. As of the date of my affidavit, the Debtor:

- (a) has failed to provide TD Bank with a replacement cheque or otherwise pay the amount of \$285,000 as agreed on October 4, 2011;
- (b) has failed to return a signed engagement letter permitting the consultant to engage in the Review and Assessment;

- 18 -

- (c) has failed to repay the Loan;
- (d) has failed to provide TD Bank with details regarding the delay in the status of the registration of the Condominium; and
- (e) has failed to provide TD Bank with details regarding the status of the agreements of purchase and sale entered into between the Debtor and the purchasers of Condominium units.

#### **TD BANK ISSUES DEMANDS AND SECTION 244 NOTICES AND THE FALLOUT**

64. Accordingly, TD Bank caused demand letters and notices of intention to enforce its security under section 244(1) of the BIA to be issued on October 26, 2011. Copies of these demands and notices are attached hereto as **Exhibit NN**.

65. On November 5, 2011, the day that the stay period under section 244(1) of the BIA was to expire, I received an email from Chahal. He advised me that the demands and notices had been sent to the Debtor's previous address and not its current registered office address. He acknowledged receiving the demands and notices on November 1, 2011, and that the ten day stay period would accordingly expire on November 11, 2011. This email is attached hereto as **Exhibit OO**.

66. On November 7, 2011, I received a letter from the Debtor, which is attached hereto as **Exhibit PP**. Chahal advised me in the letter that the Debtor intends to close agreements of purchase and sale with purchasers of units in the Condominium by January 30, 2012. However, on page three of this letter, the Debtor set out a list of twelve items that need to be completed before the Condominium could be registered. Many of the items on the list are dependent on third parties completing various reviews, including the City of Brampton, Peel Region, the Land Titles Registry, and the architect. In my experience, given the number of tasks that remain to be

completed, it is unlikely these will be completed by January 30, 2012 and that the agreements of purchase and sale will close by January 30, 2012.

67. I am also concerned by the fact that the Debtor, in the letter:

- (a) states that the Debtor has removed all of its funds held in the bank account at Duca Financial and moved them to a different institution, which institution is not disclosed;
- (b) states that Chahal has advised purchasers of units that TD Bank may be bringing power of sale proceedings and stating to them that TD Bank has interfered with the Debtor's general contractors, thereby causing delay; and
- (c) threatens to release deposits to purchasers and cancel agreements of purchase and sale ". . . for those requesting same...", or, for all purchasers who still want the units, to ". . . amend the purchase price on units to compensate for their loss of income and value caused by delays. . ." even though the purchasers ". . . all are willing and ready close their deals when I tell them we are ready to close."

68. Chahal appears to threaten that if TD Bank takes measures with which the Debtor does not agree, then the Debtor will take measures to undermine the value of TD Bank's security by cancelling agreements of purchase and sale or making payments to purchasers.

69. The appointment of a Receiver to attend at the Debtor's premises, preserve the Debtor's assets, conduct a review of the status of the registration of the Condominium and the agreements of purchase and sale with purchasers of units is necessary for the protection and realisation of TD Bank's interests and the interests of all stakeholders, including all construction lien claimants. It is also in the interests of purchasers of units in the Condominium, including



those who have closed on an interim basis, to ensure that the Condominium is registered in an expeditious manner and the agreements of purchase are sale are closed.

#### **THE NEED FOR A RECEIVER**

70. It is just and equitable that a Receiver be appointed because the Debtor has committed events of default under the Loan Agreement and TD Bank's security, and has jeopardised the value of its security, by:

- (a) failing to pay the interest due to TD Bank pursuant to the Loan Agreement;
- (b) failing to discharge the Versa Lien within thirty days of its registration;
- (c) failing to repay the overdraft;
- (d) failing to account for the use of the funds for which the over-draft was authorised;
- (e) reneging on an agreement to pay TD Bank \$285,000 for interest arrears, repayment of the over-draft and the extension fee;
- (f) providing TD Bank with a cheque that it was unable to negotiate and which was dishonoured;
- (g) reneging on an agreement to retain a consultant to conduct the Review and Assessment;
- (h) failing to provide TD Bank details regarding the delay in registering the Condominium or the status of agreements of purchase and sale; and
- (i) failing to repay the Loan.

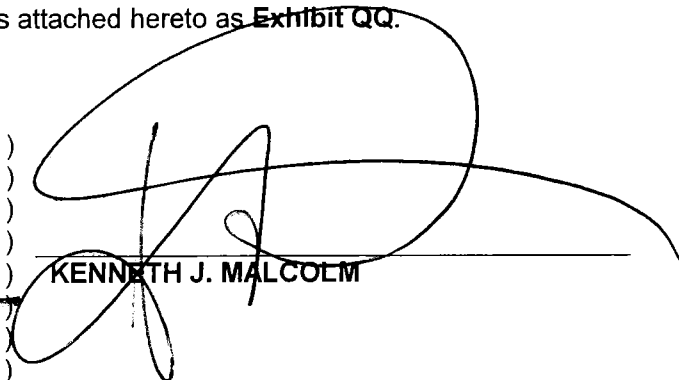
- 21 -

71. The appointment of a Receiver will benefit all of the Debtor's creditors, lien claimants and other stakeholders, including purchasers of units in the Condominium, since it will allow for the preservation of the Debtor's assets, an assessment of the Debtor's financial viability, a determination of why the Condominium has not yet been registered, and likely, the expediting of the registration of the Condominium.

72. TD Bank proposes that Ira Smith Trustee be appointed as Receiver of the Debtor. Ira Smith Trustee is an experienced, licensed trustee in bankruptcy. Ira Smith Trustee has consented to act as Receiver. The consent is attached hereto as **Exhibit QQ**.

**SWORN BEFORE ME** at  
the City of Toronto,  
in the Province of Ontario,  
this 10<sup>th</sup> day of November, 2011.

COMMISSIONER, ETC.

  
KENNETH J. MALCOLM

**SCHEDULE A****Legal Description of the Property**

PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902. S/T  
A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE  
CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT  
7, PL 43R21902 AS IN LT1615145. CITY OF BRAMPTON

# Tab A

THIS IS **EXHIBIT A** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS 10<sup>th</sup> DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

Request ID: 013686483  
 Transaction ID: 45892407  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2011/11/07  
 Time Report Produced: 14:25:37  
 Page: 1

## CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
2012241	2012241 ONTARIO LIMITED	2002/06/04
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>		<b>Date Amalgamated</b>
		NOT APPLICABLE
97 SUNFOREST DRIVE		<b>Amalgamation Ind.</b>
		NOT APPLICABLE
BRAMPTON		<b>New Amal. Number</b>
ONTARIO		NOT APPLICABLE
CANADA L6Z 3Y5		<b>Notice Date</b>
		NOT APPLICABLE
<b>Mailing Address</b>		<b>Letter Date</b>
		NOT APPLICABLE
JAGDEV DHALIWAL		<b>Revival Date</b>
97 SUNFOREST DR		NOT APPLICABLE
		<b>Continuation Date</b>
		NOT APPLICABLE
BRAMPTON		<b>Transferred Out Date</b>
ONTARIO		NOT APPLICABLE
CANADA L6Z 3Y5		<b>Cancel/Inactive Date</b>
		NOT APPLICABLE
		<b>EP Licence Eff.Date</b>
		NOT APPLICABLE
		<b>EP Licence Term.Date</b>
		NOT APPLICABLE
	<b>Number of Directors</b>	<b>Date Commenced</b>
	Minimum Maximum	In Ontario
	00001 00010	NOT APPLICABLE
<b>Activity Classification</b>		<b>Date Ceased</b>
NOT AVAILABLE		In Ontario
		NOT APPLICABLE

Request ID: 013686483  
Transaction ID: 45892407  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/07  
Time Report Produced: 14:25:37  
Page: 2

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2012241	2012241 ONTARIO LIMITED

Corporate Name History	Effective Date
2012241 ONTARIO LIMITED	2002/06/04

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
RAVINDER CHAHAL	17 ADRIONDACK CRES  BRAMPTON ONTARIO CANADA L6R 1E5

Date Began	First Director	
2008/06/20	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	

Request ID: 013686483  
 Transaction ID: 45892407  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2011/11/07  
 Time Report Produced: 14:25:37  
 Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2012241	2012241 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
JAGDEN DHALIWAL	31 JEWEL CRES.,  BRAMPTON ONTARIO CANADA L6R 2P5

Date Began	First Director	Resident Canadian
2002/06/04	NOT APPLICABLE	
Designation	Officer Type	
OFFICER	OTHER	

Administrator: Name (Individual / Corporation)	Address
JAGDEN DHALIWAL	31 JEWEL CRES.,  BRAMPTON ONTARIO CANADA L6R 2P5

Date Began	First Director	Resident Canadian
2002/06/04	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y



Request ID: 013686483  
Transaction ID: 45892407  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/07  
Time Report Produced: 14:25:37  
Page: 4

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2012241	2012241 ONTARIO LIMITED

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

JAGDEN  
DHALIWAL

**Address**

31 JEWEL CRES.,  
  
BRAMPTON  
ONTARIO  
CANADA L6R 2P5

Date Began	First Director
2002/06/04	NOT APPLICABLE

Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	

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

JASDEW  
DHALIWAL

**Address**

31 JEWEL CRES  
  
BRAMPTON  
ONTARIO  
CANADA L6K 2P5

Date Began	First Director
2002/06/04	NOT APPLICABLE

Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 013686483  
Transaction ID: 45892407  
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Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/07  
Time Report Produced: 14:25:37  
Page: 5

## CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>
2012241	2012241 ONTARIO LIMITED

<b>Administrator: Name (Individual / Corporation)</b>	<b>Address</b>
JASDEW DHALIWAL	31 JEWEL CRES  BRAMPTON ONTARIO CANADA L6K 2P5

<b>Date Began</b>	<b>First Director</b>	<b>Resident Canadian</b>
2002/06/04	NOT APPLICABLE	
<b>Designation</b>	<b>Officer Type</b>	
OFFICER	PRESIDENT	

<b>Administrator: Name (Individual / Corporation)</b>	<b>Address</b>
JAGDEV DHALIWAL	31 JEWEL CRES,  BRAMPTON ONTARIO CANADA L6R 2P5

<b>Date Began</b>	<b>First Director</b>	<b>Resident Canadian</b>
2002/06/04	NOT APPLICABLE	
<b>Designation</b>	<b>Officer Type</b>	
OFFICER	OTHER	

Request ID: 013686483  
Transaction ID: 45892407  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/07  
Time Report Produced: 14:25:37  
Page: 6

72

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2012241	2012241 ONTARIO LIMITED

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

JAGDEV  
DHALIWAL

**Address**

31 JEWEL CRES.,  
  
BRAMPTON  
ONTARIO  
CANADA L6R 2P5

Date Began	First Director
2002/06/04	NOT APPLICABLE

Designation	Officer Type	Resident Canadian
DIRECTOR		Y

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

JAGDEV  
DHALIWAL

**Address**

31 JEWEL CRES.,  
  
BRAMPTON  
ONTARIO  
CANADA L6R 2P5

Date Began	First Director
2002/06/04	NOT APPLICABLE

Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	

Request ID: 013686483  
 Transaction ID: 45892407  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2011/11/07  
 Time Report Produced: 14:25:37  
 Page: 7

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2012241	2012241 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
JAGDEV DHALIWAL	31 JEWEL CRES.  BRAMPTON ONTARIO CANADA L6R 2P5

Date Began	First Director	Resident Canadian
2006/06/04	NOT APPLICABLE	
Designation	Officer Type	
OFFICER	OTHER	

Administrator: Name (Individual / Corporation)	Address
JAGDEV S DHALIWAL	97 SUNFOREST DR  BRAMPTON ONTARIO CANADA L6Z 3Y5

Date Began	First Director	Resident Canadian
2009/06/22	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Request ID: 013686483  
Transaction ID: 45892407  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/07  
Time Report Produced: 14:25:37  
Page: 8

74

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2012241	2012241 ONTARIO LIMITED

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

JAGDEV  
S  
DHALIWAL

**Address**

97 SUNFOREST DR  
  
BRAMPTON  
ONTARIO  
CANADA L6Z 3Y5

**Date Began**  
2009/06/22

**First Director**  
NOT APPLICABLE

**Designation**  
OFFICER

**Officer Type**  
PRESIDENT

**Resident Canadian**  
Y

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

JAGDEV  
DHALIWAL

**Address**

97 SUNFOREST DR  
  
BRAMPTON  
ONTARIO  
CANADA L6Z 3Y5

**Date Began**  
2009/06/22

**First Director**  
NOT APPLICABLE

**Designation**  
DIRECTOR

**Officer Type**

**Resident Canadian**  
Y

Request ID: 013686483  
Transaction ID: 45892407  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/07  
Time Report Produced: 14:25:37  
Page: 9

75

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2012241	2012241 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
JAGDEV DHALIWAL	97 SUNFOREST DR  BRAMPTON ONTARIO CANADA L6Z 3Y5

Date Began	First Director	Resident Canadian
2009/06/22	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Administrator: Name (Individual / Corporation)	Address
JASDEW PHALIWAL	21 JEWEL CRES.  BRAMPTON ONTARIO CANADA L6R 2P5

Date Began	First Director	Resident Canadian
2002/06/04	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 013686483  
Transaction ID: 45892407  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/07  
Time Report Produced: 14:25:37  
Page: 10

## CORPORATION PROFILE REPORT

Ontario Corp Number

2012241

Corporation Name

2012241 ONTARIO LIMITED

Administrator:  
Name (Individual / Corporation)

JASDEW  
PHALIWAL

Address

21 JEWEL CRES.  
  
BRAMPTON  
ONTARIO  
CANADA L6R 2P5

Date Began

2002/06/04

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

OTHER

Resident Canadian

Request ID: 013686483  
Transaction ID: 45892407  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/07  
Time Report Produced: 14:25:37  
Page: 11

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2012241

2012241 ONTARIO LIMITED

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2009	1C	2010/12/18

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

PLEASE NOTE THAT WHEN THE SAME INDIVIDUAL HOLDS MULTIPLE 'OTHER UNTITLED' OFFICER POSITIONS, AS INDICATED ON A FORM 1 UNDER THE *CORPORATIONS INFORMATION ACT*, ONLY ONE OF THESE 'OTHER UNTITLED' POSITIONS HELD BY THAT INDIVIDUAL WILL BE REFLECTED ON THIS REPORT.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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



# Tab B

THIS IS **EXHIBIT B** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS *10<sup>th</sup>* DAY OF  
NOVEMBER, 2011

~~A COMMISSIONER FOR TAKING AFFIDAVITS~~



Ontario ServiceOntario

LAND  
REGISTRY  
OFFICE #43

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 5  
PREPARED FOR Lindsayykl  
ON 2011/11/07 AT 16:10:12

14223-0956 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

PROPERTY DESCRIPTION: PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PFS 6 AND 7, PL 43R21902. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 BHS, DES AS PT 7, PL 43R21902 AS IN LT1615145. CITY OF BRAMPTON

PROPERTY REMARKS: CONSENT OF THE LAND DIVISION COMMITTEE OF THE REGIONAL MUNICIPALITY OF PEEL IS ENDORSED IN LT1699650. THE FOLLOWING REMARK HAS BEEN ADDED ON 2002/10/21 AT 09:41 BY ISOBEL STEWART : CONSENT OF THE LAND DIVISION COMMITTEE IS ATTACHED TO LT1699650.

ESTATE/QUALIFIER: RECENTLY.  
FEE SIMPLE ABSOLUTE DIVISION FROM 14223-0041

OWNERS' NAMES: CAPACITY SHARE  
2012241 ONTARIO LIMITED NC

PIN CREATION DATE:  
1997/03/05

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
**EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1996/05/07 ON THIS PIN**			
**WAS REPLACED WITH THE	"PIN CREATION DATE" OF 1997/03/05**					
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 1997/03/05 **					
43R18419	1991/03/07	PLAN REFERENCE				C
LT1302850	1992/03/12	NOTICE		*** DELETED AGAINST THIS PROPERTY ***		
REMARKS:	RULED OFF PIN 14223-4133 ON AUGUST 26/03 BY PWARCH RE: LT1887369					
43R21191	1995/09/11	PLAN REFERENCE				C
LT1615145	1996/02/01	TRANSFER EASEMENT			BRAMPTON HYDRO ELECTRIC COMMISSION THE CORPORATION OF THE CITY OF BRAMPTON	C
43R21902	1996/11/14	PLAN REFERENCE				C
LT1699650	1997/02/10	TRANSFER		*** COMPLETELY DELETED *** WELLINGDALE COMMUNITY (BRAMPTON) INC.		C
REMARKS:	CONSENT OF THE LAND DIVISION COMMITTEE ATTACHED HERETO.					
LT2057426	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C
REMARKS:	PEARSON AIRPORT ZONING REGULATION					
PR192321	2002/01/21	CHARGE		*** COMPLETELY DELETED *** CHURCH EXTENSION COUNCIL OF DUFFERIN AND PEEL PRESBYTERY OF THE UNITED CHURCH OF CANADA		C
PR192329	2002/01/21	CHARGE		*** DELETED AGAINST THIS PROPERTY ***		C
REMARKS:	THE TORONTO UNITED CHURCH COUNCIL					

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 5  
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ON 2011/11/07 AT 16:10:12

14223-0956 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
PR325702	2002/10/02	TRANSFER	\$850,000	CHURCH EXTENSION COUNCIL OF DUFFERIN AND PEEL PRESBYTERY OF THE UNITED CHURCH OF CANADA	THE TORONTO UNITED CHURCH COUNCIL	C
PR325711	2002/10/02	CHARGE		*** COMPLETELY DELETED *** 2012241 ONTARIO LIMITED	2012241 ONTARIO LIMITED	
PR326750	2002/10/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO UNITED CHURCH COUNCIL	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	
PR326751	2002/10/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO UNITED CHURCH COUNCIL		
PR1138739	2006/09/19	NOTICE	\$2	THE CORPORATION OF THE CITY OF BRAMPTON		C
PR1139444	2006/09/20	CHARGE		*** COMPLETELY DELETED *** 2012241 ONTARIO LIMITED	TISHLER, BRIAN 606696 ONTARIO LIMITED WALDERMAN, FRANCINE	
PR1139491	2006/09/20	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2012241 ONTARIO LIMITED	TISHLER, BRIAN 606696 ONTARIO LIMITED WALDERMAN, FRANCINE	
PR1146634	2006/10/02	DISCH OF CHARGE		*** COMPLETELY DELETED *** DUCA FINANCIAL SERVICES CREDIT UNION LTD.		
PR1312800	2007/08/10	NOTICE		*** COMPLETELY DELETED *** 2012241 ONTARIO LIMITED	TISHLER, BRIAN 606696 ONTARIO LIMITED WALDERMAN, FRANCINE	
PR1403840	2008/01/18	NOTICE		*** COMPLETELY DELETED *** 2012241 ONTARIO LIMITED	TISHLER, BRIAN 606696 ONTARIO LIMITED	

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 3 OF 5  
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14223-0956 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: PRI139444			WALDERMAN, FRANCINE	
PRI1418741	2008/02/21	CHARGE	\$400,000	2012241 ONTARIO LIMITED	1448037 ONTARIO LIMITED	C
PRI1418749	2008/02/21	NO ASSGN RENT GEN REMARKS: PRI1418741		2012241 ONTARIO LIMITED	1448037 ONTARIO LIMITED	C
PRI1539562	2008/09/25	DISCH OF CHARGE		*** COMPLETELY DELETED *** TISHLER, BRIAN 606696 ONTARIO LIMITED WALDERMAN, FRANCINE		
		REMARKS: RE: PRI139444				
PRI1539845	2008/09/25	CHARGE	\$864,070	2012241 ONTARIO LIMITED	1448037 ONTARIO LIMITED	C
PRI1539924	2008/09/26	NO ASSGN RENT GEN REMARKS: PRI1539845		2012241 ONTARIO LIMITED	1448037 ONTARIO LIMITED	C
PRI1544408	2008/10/20	CHARGE	\$12,500,000	2012241 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PRI1569920	2008/11/18	POSTPONEMENT REMARKS: PRI1418741 TO PRI1554408		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PRI1569921	2008/11/18	POSTPONEMENT REMARKS: PRI1418749 TO PRI1554408		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PRI1569922	2008/11/18	POSTPONEMENT REMARKS: PRI1539845 TO PRI1554408		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PRI1569923	2008/11/18	POSTPONEMENT REMARKS: PRI1539924 TO PRI1554408		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PRI1582644	2008/12/12	APL (GENERAL) REMARKS: DELETES LT1302850		*** COMPLETELY DELETED *** PEEL DISTRICT SCHOOL BOARD		
PRI1591143	2009/01/08	NOTICE	\$2	THE CORPORATION OF THE CITY OF BRAMPTON		C
PRI1681378	2009/08/05	NOTICE REMARKS: PRI1554408, PRI1418741, PRI1539845	\$2	THE TORONTO-DOMINION BANK		C

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



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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 4 OF 5  
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14223-0956 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
PRI720150	2009/10/15 REMARKS: PRI554408, PRI418741 AND PRI539845.	NOTICE	\$2	THE TORONTO-DOMINION BANK		C
PRI720151	2009/10/15 REMARKS: PRI418741.	TRANSFER OF CHARGE		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PRI720152	2009/10/15 REMARKS: PRI539845.	TRANSFER OF CHARGE		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PRI740699	2009/11/25	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** STUBBE'S PRECAST COMMERCIAL INC.		
PRI759521	2010/01/05 REMARKS: PRI740699.	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** STUBBE'S PRECAST COMMERCIAL INC.		
PRI764737	2010/01/15	APL (GENERAL)		*** COMPLETELY DELETED *** H S G PROPERTIES INCORPORATED		
PRI774495	2010/02/05	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** RAFAT GENERAL CONTRACTORS INC.		
PRI778915	2010/02/18 REMARKS: PRI774495.	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** RAFAT GENERAL CONTRACTORS INC.		
PRI784339	2010/03/01	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	2012241 ONTARIO LIMITED CHAHAL, RAVINDER SINGH	
PRI785468	2010/03/03 REMARKS: PENDING LITIGATION	APL (GENERAL)		H S G PROPERTIES INCORPORATED		C
PRI803331	2010/04/12 REMARKS: FROM PRI785468 TO PRI554408	POSTPONEMENT		H S G PROPERTIES INCORPORATED	THE TORONTO-DOMINION BANK	C
PRI877343	2010/08/18	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SCHINDLER ELEVATOR CORPORATION		

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



Ontario ServiceOntario

LAND  
REGISTRY  
OFFICE #43

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 5 OF 5  
PREPARED FOR LindsayK1  
ON 2011/11/07 AT 16:10:12

14223-0956 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
PR1885715 REMARKS: PR187743.	2010/09/01	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** SCHINDLER ELEVATOR CORPORATION		
PR1930393	2010/12/02	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ROYAL WINDSOR MECHANICAL INC.		
43R33711	2010/12/23	PLAN REFERENCE	\$70			C
PR1946955 REMARKS: PR1930393	2011/01/11	CERTIFICATE		*** COMPLETELY DELETED *** ROYAL WINDSOR MECHANICAL INC.	VERSA CONSTRUCTION LIMITED 2012241 ONTARIO LIMITED THE TORONTO-DOMINION BANK	
PR1947540	2011/01/12	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** FLOORCRAFT DESIGN INC.		
PR1948049 REMARKS: PR1930393, DELETES PR1930393, PR1946955	2011/01/13	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** ROYAL WINDSOR MECHANICAL INC.		
PR1950063 REMARKS: PR1947540.	2011/01/18	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** FLOORCRAFT DESIGN INC.		
PR1982084	2011/03/30	CONSTRUCTION LIEN	\$383,399	VERSA CONSTRUCTION LIMITED		C
PR2003837 REMARKS: PR1982084	2011/05/16	CERTIFICATE		VERSA CONSTRUCTION LIMITED		C

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

Tab C



THIS IS **EXHIBIT C** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS *10<sup>th</sup>* DAY OF  
NOVEMBER, 2011

~~A COMMISSIONER FOR TAKING AFFIDAVITS~~

Request ID: 013686479  
 Transaction ID: 45892392  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2011/11/07  
 Time Report Produced: 14:25:22  
 Page: 1

# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
1611161	1611161 ONTARIO LIMITED	2004/03/22	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address	Date Amalgamated	Amalgamation Ind.	
31 JEWEL CRES.	NOT APPLICABLE	NOT APPLICABLE	
	New Amal. Number	Notice Date	
BRAMPTON ONTARIO CANADA L6R 2P5	NOT APPLICABLE	NOT APPLICABLE	
Mailing Address	Letter Date		
31 JEWEL CRES	NOT APPLICABLE		
	Revival Date	Continuation Date	
BRAMPTON ONTARIO CANADA L6R 2P5	NOT APPLICABLE	NOT APPLICABLE	
	Transferred Out Date	Cancel/Inactive Date	
	NOT APPLICABLE	NOT APPLICABLE	
	EP Licence Eff.Date	EP Licence Term.Date	
	NOT APPLICABLE	NOT APPLICABLE	
	Number of Directors Minimum      Maximum	Date Commenced in Ontario	Date Ceased in Ontario
Activity Classification	00002      00002	NOT APPLICABLE	NOT APPLICABLE
NOT AVAILABLE			

Request ID: 013686479  
 Transaction ID: 45892392  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2011/11/07  
 Time Report Produced: 14:25:22  
 Page: 2

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1611161	1611161 ONTARIO LIMITED

Corporate Name History	Effective Date
1611161 ONTARIO LIMITED	2004/03/22

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
SANDEEP CHAHAL	59 MARBLESEED CRES  BRAMPTON ONTARIO CANADA L6R 2S8

Date Began	First Director	
2004/03/22	YES	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 013686479  
Transaction ID: 45892392  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/07  
Time Report Produced: 14:25:22  
Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number

1611161

Corporation Name

1611161 ONTARIO LIMITED

Administrator:  
Name (Individual / Corporation)

JALDEV  
DHALIWAL

Address

31 JEWEL CRES  
  
BRAMPTON  
ONTARIO  
CANADA L6R 2P5

Date Began

2004/03/22

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 013686479  
Transaction ID: 45892392  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/07  
Time Report Produced: 14:25:22  
Page: 4

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1611161	1611161 ONTARIO LIMITED

Last Document Recorded		Form	Date
Act/Code	Description		
CIA	ANNUAL RETURN 2009	1C	2011/05/21

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

# Tab D

THIS IS **EXHIBIT D** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS 10<sup>th</sup> DAY OF  
NOVEMBER, 2011

~~\_\_\_\_\_~~  
A COMMISSIONER FOR TAKING AFFIDAVITS

Tab 1





## Commercial Banking

TD Commercial Banking  
 Mississauga Real Estate Group  
 20 Milverton Drive, 2nd Floor  
 Mississauga, Ontario, L5R 3G2  
 T: 905 890 4177 F: 905 890 4121  
 Direct Line: 905 890 4171

July 3, 2008

2012242 ONTARIO LIMITED  
 7420 Airport Road Unit 105  
 Mississauga, ON  
 L4T 1E5

Attention: Ravinder Chahal



### Commitment Letter

We are pleased to inform you of the Bank's intention to make available the following uncommitted facilities.

#### BORROWER

2012242 Ontario Limited (the "Borrower")

#### LENDER

The Toronto-Dominion Bank (the "Bank"), through its Mississauga Centre branch, in Mississauga, Ontario.

#### TYPE OF CREDIT AND AMOUNT

Facility #1 Direct Construction	\$12,000,000
Facility #2 Letters of Credit/Guarantee	\$500,000
<b>TOTAL</b>	<b>\$12,500,000</b>

#### PURPOSE

##### **Facility #1**

To finance the construction of a three storey commercial condominium development with 53,285 saleable square feet (comprised of 43,698 net and 9,587 common area square feet) with 47 units and approximately 264 parking spots (underground gross area of 43,996 square feet) to be located at 50 Sunnymeadow Circle, Brampton, Ontario (the "Project").

**Facility #2**

Anticipated performance Letter of Credit requirements for a three storey commercial condominium development with 53,285 saleable square feet (comprised of 43,698 net and 9,587 common area square feet) with 47 units and approximately 264 parking spots (underground gross area of 43,996 square feet) to be located at 50 Sunnymeadow Circle, Brampton, Ontario.

**INTEREST RATES**

Credit facilities shall bear interest and fees as follows:

**Facility #1**

Prime Rate\* + 1.00% per annum.

*\*The Toronto-Dominion Bank's prime lending rate as published from time to time plus 1.00%, with interest calculated and payable monthly on the number of days elapsed.*

**Facility #2**

1% per annum, payable in advance.

*Note: Prime Rate means the rate of interest per annum (based on a 365/366 day year) established by the Bank from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.*

*Interest on Prime Based Loans is calculated daily and payable monthly in arrears based on the number of days which the loan is outstanding.*

*Interest is payable both before and after demand, default and judgement.*

**REPAYMENT**

Facility #1: On demand, per conditions of credit.

Facility #2: Return or cancellation by the beneficiary, or if drawn, via security pledged/to be pledged.

**PREPAYMENT**

Facility #1-#2: Open for prepayment without penalty or bonus.

**DRAWDOWN**

Facility #1-#2: As required, per conditions of credit.

**FEES****Arrangement Fee:**

\$60,000 to be collected upon acceptance of this commitment letter.

**Renewal Fee:**

In the event Facility #1 and #2 are outstanding 18 months from initial drawdown, the Borrower will be charged a Renewal Fee in the amount of 20 basis points of the remaining authorized credit limit under Facility #1 and #2.

**Administration Fees:**

\$150 Funding Fee per Draw Request.

\$100 Discharge Fee per Unit.

**SECURITY**

All security is to be obtained prior to credit activation.

1. General Security Agreement in first position from the Borrower, with Resolution and Solicitor's Letter of Opinion.
2. General Security Agreement in first position from 1611161 Ontario Limited, with Resolution and Solicitor's Letter of Opinion.
3. Unlimited corporate guarantee of advances from 1611161 Ontario Limited.
4. Continuing Collateral Mortgage in First position in the amount of \$12,500,000 issued by the Borrower on the property located at 50 Sunnymeadow Circle, Brampton Ontario together with Solicitor's Letter of Opinion and supporting documentation.

Borrower to provide a Postponement Agreement per Disbursement Condition #11.

5. Limited personal guarantee of advances from Jagdev Dhaliwal in the amount of \$4,000,000.
6. Limited personal guarantee of advances from Ravinder Chahal in the amount of \$4,000,000.
7. a) Assignment of Builder's All Risk Insurance in the amount of \$12,000,000 issued by the Borrower.  
b) Evidence of Business/Liability Insurance in the amount of \$5,000,000 issued by the Borrower.
8. Postponement Agreement executed by the Bank and the VTB mortgage lender fully postponing the existing \$1,200,000 VTB mortgage to the Bank's first mortgage.
9. Assignment of Term Deposits and Credit Balances in the amount of \$500,000 issued by the Borrower (re. future cash offset of L/C's).
10. General hypothecation of Stocks and Bonds issued by the Borrower (re. future cash offset of L/C's).

## 11. Bond(s) of Indemnity supporting L/C's.

**DISBURSEMENT CONDITIONS**

1. All security to be in place and acceptable to the Bank and its solicitor prior to initial drawdown. The solicitor for this transaction shall be an independent firm, acceptable to and acting solely on behalf of the Bank.
2. Separate project account to be established at TD Mississauga Centre Branch.
3. Provide documentation as required by the Bank to support a satisfactory net worth and liquidity for the personal guarantors, Jagdev Dhaliwal and Ravinder Chahal. (*Condition Met*)
4. The Borrower is to provide evidence of a minimum of \$3,950,000 in equity comprised of equity in the project lands of \$3,500,000 (including the postponed private mortgage in the amount of \$1,200,000) and additional cash equity evidenced via payment of project costs to date of \$450,000. Payments of project costs are to be approved/verified by a Bank approved Quantity Surveyor.

*Note: The VTB mortgage, which is to be fully postponed to the Bank's first charge, represents equity in the project if there are no payments of any kind on the VTB mortgage until project completion (refer to Disbursement Condition #11).*

5. The construction budget for the subject property is to be reviewed and found satisfactory both by the Bank and a Quantity Surveyor that is acceptable to the Bank, with the budget to include cost to date and cost to complete for the project with the total construction budget not exceeding \$15,946,000 (excluding the existing VTB mortgage and mortgage broker commissions but including interest payable on deposits). Quantity Surveyor review is to be in compliance with the scope of engagement to be provided by the Bank.

Quantity surveyor report will also confirm minimum project equity as outlined under Disbursement Condition #4; total gross building square footage; total saleable building square footage; and total net building square footage.

6. Copy of appropriate environmental report(s) confirming the absence of environmental concerns (Minimum Phase 1 Environmental Review). (*Condition Met*)
7. The following documentation is to be provided in a form acceptable to the Bank:
  - a) Original Purchase & Sale Agreement (P&SA) for 50 Sunnymeadow Circle, Brampton, Ontario. (*Condition Met*)
  - b) Evidence of Site Plan Approval for the Project, confirming no unusual conditions and/or requirements which interfere with or delay the orderly progress of the development of the project lands, and/or materially affect its value.

- c) Evidence of Building Permit, and other required zoning for the intended development.
- d) Final approved plans and specifications for the project. (Condition Met)
8. a) Executed/final fixed price contract with Versa Construction in the amount of \$8,307,000.
- b) Contractor is to provide evidence of bonding insurance with the Bank named as a dual Obligee (50% performance bond and 50% labour and materials bond).
12. An acceptable AACI prepared pro-forma appraisal for the Project confirming a pro-forma value of no less than \$18,000,000. (Condition Met)
13. a) All existing sales are to be forwarded to the Bank displaying total sale proceeds of no less than \$17,648,000 net of GST (48,600 saleable square feet) with qualifying presale proceeds of no less than \$13,067,000 net of GST (36,400 saleable square feet). P&S agreements are to be satisfactory to the Bank.
- Qualifying presales are defined as follows:
- Minimum paid deposit of 15%;
  - No non-arm's length purchaser;
  - No bulk purchasers are permitted without the written consent of the Bank. For clarity, a bulk purchaser is classified as a purchaser of more than two units as defined by the site plan.
- b) P&S agreements for the presales required per Disbursement Condition #10a are to be reviewed by the Bank.
14. The existing private mortgage on the subject property in an amount of \$1,200,000 is to be fully postponed to Bank's first mortgage. A copy of the private loan agreement between the Borrower and the private mortgage lender is to be provided to the Bank for its review and to the Bank's and/or its solicitor's complete satisfaction. The agreement is to confirm that no payments of any kind (including but not limited to interest payments) are to be made on the private mortgage until the Bank has been repaid/cash secured in full.
15. Evidence that all deposits collected from purchasers are held in a trust account to the Bank's satisfaction. (Condition Met)
16. The Borrower is to provide the following evidence for the recently completed 18,000 square foot retail condominium development located at 5899 Trelawny circle, Mississauga, Ontario:
- a) Evidence that the project is substantially complete and will be registered within the next 3 months.
- b) Evidence of a minimum of \$5,100,000 net in sale proceeds to be received from the project at closing. (Condition Met)

c) Total direct exposure of no greater than \$1,900,000 against the property. Total direct exposure to be confirmed via sub-search and updated loan/mortgage statement to be completed by the Bank.

17. Satisfactory evidence to be provided by Ravinder Chahal that the current R9 that appears on his credit bureau, associated with credit extended by MBNA, was due to fraudulent activities and a satisfactory settlement has been negotiated.
18. Insurance Review to be completed by In-Tech Management Inc. and deemed satisfactory to the Bank.

#### **FINANCIAL COVENANTS**

1. The Borrower is to maintain minimum cash equity of \$3,950,000 (per Disbursement Condition #4). No equity/profit withdrawals are permitted while the company is indebted to the Bank or until formally permitted by the Bank in writing.
2. Monthly loan advances to be made on a work in place/cost to complete method, to be supported by Quantity Surveyor confirming:
  - a) The amount requested by the Borrower does not exceed 100% of the costs of the work in place in accordance with the project budget, as by the monitor, less the aggregate of statutory lien holdbacks.
  - b) All construction work to date is substantially complete in accordance with approved project plans and specifications.
  - c) All overruns, other than those previously approved by the Bank, have been funded in full by the Borrower.
  - d) Sufficient credit facility funds, which have not yet been advanced, remain available within the existing credit lines to complete construction of the project.
3. Each construction advance to be preceded by a subsearch confirming that title to the subject property is clear excluding the Bank's mortgage and any encumbrances to which the Bank has consented in writing.
4. Facility #1 is to be repaid in full from net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources no later than January 31, 2010 (based on expected commencement/activation of Facility #1 of July 2008). Facility #1 to be repaid within 18 months of activation.
5. Upon repayment of Facility #1, Facility #2 is to be cash secured from either net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources.
6. All purchaser deposits not held in trust are to be applied as a permanent reduction to Facility #1.

7. Borrower to provide evidence that realty tax payments are current annually within 120 days of calendar year end.
8. Cost overruns will be for the account of the Borrower, to be covered immediately as identified.
9. Site inspections to be conducted by the Bank, monthly or as otherwise deemed appropriate, to monitor the progress of site servicing and construction of the subject buildings, to be in line with usage under Facility #1.
10. The property is not to be further encumbered without the prior written consent of the Bank. The Bank permits the registration of a second mortgage to cover the VTB mortgage in the amount of \$1,200,000, which is to be fully postponed to the Bank (i.e. no payment of any kind including interest payments are permitted until the Bank is fully repaid).
11. Sale or transfer of the beneficial ownership in the property is not permitted without the prior written consent of the Bank.
12. All costs incurred in association with the financing contemplated herein are for the account of the Borrower.
13. Any lease or easement that would restrict use of the property must have prior approval of the Bank and its solicitor.
14. Any construction liens are to be cleared from the property no later than 30 days after they are registered.
15. Discharge of the parking lot (separate pin/condo) will be permitted after full repayment/cash offset of Facility #1 and #2.

#### **NON WAIVER**

The Bank will not be considered to have waived compliance with or amended any part of this letter or any obligation of the Borrower hereunder or under any other document unless such waiver or amendment is set out specifically in writing. The Bank shall not be deemed to have waived compliance with any obligation of the Borrower simply because it does not exercise any of its rights and remedies immediately upon occurrence of such breach.

#### **REPRESENTATIONS**

No representation or warranty or other statement made by the Bank concerning the credit shall be binding on the Bank unless made by it in writing as a specific amendment to this letter.

**ENVIRONMENTAL**

The Borrower represents and warrants (which representation and warranty shall continue so long as any amounts are outstanding hereunder) that:

The undersigned's business is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The undersigned hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered incurred in connection with the indebtedness under the Note or the security provided to secure such indebtedness.

**EXPENSES**

The Borrower shall pay all fees (including but not limited to all legal and documentation fees) and expenses incurred by the Bank or the Borrower in connection with the registration of the Bank Security and with the enforcement of the Bank's rights relating to the Direct Loan or the Bank Security, whether or not any amounts are advanced under the Direct Loan. These fees and expenses shall include, but not be limited, to all outside counsel expenses and all in-house legal expenses, if in-house counsel is used.

**EVIDENCE OF INDEBTEDNESS**

The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank.

**LANGUAGE PREFERENCE**

This Agreement has been drawn up in English at the request of all parties.

**SOLICITORS**

The solicitors for this transaction, as it relates to the completion of security, shall be a firm acceptable to and acting solely on behalf of The Bank.

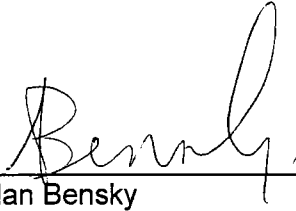


We ask the borrower and all guarantors sign and return the attached duplicate copy of this letter to the undersigned on or before July 18, 2008.

Yours truly,

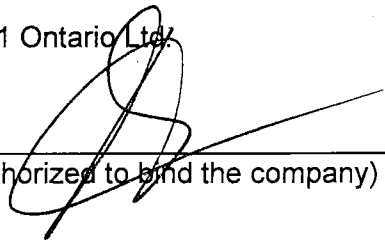
The Toronto-Dominion Bank

  
\_\_\_\_\_  
Rene Angelini  
Account Manager, Real Estate

  
\_\_\_\_\_  
Alan Bensky  
Vice President, Real Estate

The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility the \_\_\_\_\_ day of \_\_\_\_\_, 2008.

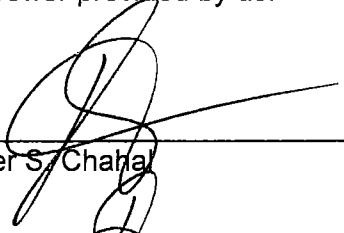
As Borrower:

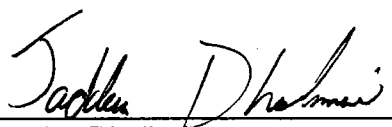
2012241 Ontario Ltd.  
  
\_\_\_\_\_  
Per (authorized to bind the company)

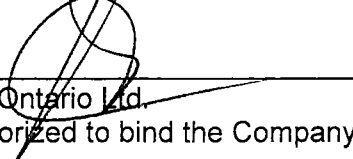
**As Guarantors (Personal/Corporate)**

TO THE TORONTO-DOMINION BANK:

The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility this 06 day of July, 2008, and agrees that if the Bank fails to insist upon strict performance of observance of the requirements of the letter set out above or in any other agreement which now or may hereafter apply to the credit facility, or waives or amends any such requirements, such action shall not prejudice the Bank's rights under the guarantee of the Borrower provided by us.

  
\_\_\_\_\_  
Ravinder S. Chahal

  
\_\_\_\_\_  
Jagdev Dhaliwal

  
\_\_\_\_\_  
1611161 Ontario Ltd.  
Per (Authorized to bind the Company)

Tab 2



## Commercial Banking

TD Commercial Banking  
 Mississauga Real Estate Group  
 20 Milverton Drive, 2nd Floor  
 Mississauga, Ontario, L5R 3G2  
 T: 905 890 4177 F: 905 890 4121  
 Direct Line: 905 890 4171

December 12, 2008

**2012241 ONTARIO LIMITED**  
 7420 Airport Road Unit 105  
 Mississauga, ON  
 L4T 1E5

Attention: Ravinder Chahal

### Commitment Letter

**We are pleased to inform you of the Bank's intention to make available the following uncommitted facilities. This offer supersedes any previous offer.**

#### BORROWER

2012241 Ontario Limited (the "Borrower")

#### LENDER

The Toronto-Dominion Bank (the "Bank"), through its Mississauga Centre branch, in Mississauga, Ontario.

#### TYPE OF CREDIT AND AMOUNT

Facility #1 Direct Construction	\$12,000,000
Facility #2 Letters of Credit/Guarantee	\$500,000
<b>TOTAL</b>	<b>\$12,500,000</b>

#### PURPOSE

##### **Facility #1**

To finance the construction of a three storey commercial condominium development with 53,289 gross square feet with 47 units and approximately 264 parking spots (underground gross area of 43,996 square feet) to be located at 50 Sunny Meadow Boulevard, Brampton, Ontario (the "Project").

**Facility #2**

Performance Letter of Credit requirements for a three storey commercial condominium development with 53,289 gross square feet with 47 units and approximately 264 parking spots (underground gross area of 43,996 square feet) to be located at 50 Sunny Meadow Boulevard, Brampton, Ontario.

**INTEREST RATES**

Credit facilities shall bear interest and fees as follows:

**Facility #1**

Prime Rate\* + 1.00% per annum.

*\*The Toronto-Dominion Bank's prime lending rate as published from time to time plus 1.00%, with interest calculated and payable monthly on the number of days elapsed.*

**Facility #2**

1% per annum, payable in advance.

*Note: Prime Rate means the rate of interest per annum (based on a 365/366 day year) established by the Bank from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.*

*Interest on Prime Based Loans is calculated daily and payable monthly in arrears based on the number of days which the loan is outstanding.*

*Interest is payable both before and after demand, default and judgement.*

**REPAYMENT**

Facility #1: On demand, per conditions of credit.

Facility #2: Return or cancellation by the beneficiary, or if drawn, via security pledged/to be pledged.

**PREPAYMENT**

Facility #1-#2: Open for prepayment without penalty or bonus.

**DRAWDOWN**

Facility #1-#2: As required, per conditions of credit.

**FEES****Arrangement Fee:**

\$60,000 to be collected upon acceptance of this commitment letter. *(Collected)*

**Restructuring Fee:**

\$20,000 for the amendments to the Disbursement Conditions. *(Collected)*

**Renewal Fee:**

In the event Facility #1 and #2 remain outstanding on January 31, 2010, the Bank at its sole discretion may renew Facility #1 and #2 for a further 12-month period. In the event the Bank elects to renew Facility #1 and #2 for a further 12-month period, the Borrower will be charged a Renewal Fee in an amount to be determined.

**Administration Fees:**

\$150 Funding Fee per Draw Request.

\$100 Discharge Fee per Unit.

**SECURITY**

All security is to be obtained prior to credit activation.

1. General Security Agreement in first position from the Borrower, with Resolution and Solicitor's Letter of Opinion.
2. General Security Agreement in first position from 1611161 Ontario Limited, with Resolution and Solicitor's Letter of Opinion.
3. Unlimited corporate guarantee of advances from 1611161 Ontario Limited.
4. Continuing Collateral Mortgage in First position in the amount of \$12,500,000 issued by the Borrower on the property located at 50 Sunny Meadow Boulevard, Brampton Ontario together with Solicitor's Letter of Opinion and supporting documentation.  
  
Borrower to provide a Postponement Agreement per Disbursement Condition #11.
5. Limited personal guarantee of advances from Jagdev Dhaliwal in the amount of \$4,000,000.
6. Limited personal guarantee of advances from Ravinder Chahal in the amount of \$4,000,000.
7. a) Assignment of Builder's All Risk Insurance in the amount of \$8,500,000 issued by the Borrower.  
  
b) Evidence of Business/Liability Insurance in the amount of \$5,000,000 issued by the Borrower.
8. Postponement Agreement executed by the Bank and the private mortgage lenders fully postponing the existing \$1,264,070 in private mortgages to the Bank's first mortgage.
9. Assignment of Term Deposits and Credit Balances in the amount of \$500,000 issued by the Borrower (re. future cash offset of L/C's).

10. General hypothecation of Stocks and Bonds issued by the Borrower (re. future cash offset of L/C's).
11. Bond(s) of Indemnity supporting L/C's.

#### **DISBURSEMENT CONDITIONS**

1. All security to be in place and acceptable to the Bank and its solicitor prior to initial drawdown. The solicitor for this transaction shall be an independent firm, acceptable to and acting solely on behalf of the Bank.
2. Separate project account to be established at TD Mississauga Centre Branch. *(Condition Met)*
3. Provide documentation as required by the Bank to support a satisfactory net worth and liquidity for the personal guarantors, Jagdev Dhaliwal and Ravinder Chahal. *(Condition Met)*
4. The Borrower is to provide evidence of a minimum of \$3,950,000 in equity comprised of equity in the project lands of \$3,500,000 (including the postponed private mortgages in the amount of \$1,264,070) and additional cash equity evidenced via payment of project costs to date of \$450,000. Payments of project costs are to be approved/verified by a Bank approved Quantity Surveyor.

*Note: The private mortgages, which are to be fully postponed to the Bank's first charge, represents equity in the project if there are no payments of any kind on the private mortgages until project completion (refer to Disbursement Condition #11).*

5. The construction budget for the subject property is to be reviewed and found satisfactory both by the Bank and a Quantity Surveyor that is acceptable to the Bank, with the budget to include cost to date and cost to complete for the project with the total construction budget not exceeding \$15,946,000 (excluding the existing VTB mortgage and mortgage broker commissions but including interest payable on deposits). Quantity Surveyor review is to be in compliance with the scope of engagement to be provided by the Bank (ie: enhanced project monitoring).

Quantity surveyor report will also confirm minimum project equity as outlined under Disbursement Condition #4; total gross building square footage; total saleable building square footage; and total gross building square footage (including below grade space).

6. Copy of appropriate environmental report(s) confirming the absence of environmental concerns (Minimum Phase 1 Environmental Review). *(Condition Met)*
7. The following documentation is to be provided in a form acceptable to the Bank:
  - a) Original Purchase & Sale Agreement (P&SA) for 50 Sunnymeadow Circle, Brampton, Ontario. *(Condition Met)*

- b) Evidence of Site Plan Approval for the Project, confirming no unusual conditions and/or requirements which interfere with or delay the orderly progress of the development of the project lands, and/or materially affect its value.
  - c) Evidence of Building Permit, and other required zoning for the intended development.
  - d) Final approved plans and specifications for the project. *(Condition Met)*
8. a) Executed/final fixed price contract with Versa Construction in the amount of \$8,307,000. *(Condition Met)*
- b) In lieu of bonding insurance with the Bank, the following are required:
- i. On a monthly basis Versa Construction Limited (project General Contractor) is to provide Statutory Declarations / WSIB Clearance Certificates for their respective subcontractors to the Quantity Surveyor.
  - ii. On a monthly basis Versa Construction Limited (project General Contractor) is to provide a copy of their Accounts Payables for all subcontractors to the Quantity Surveyor.
9. An acceptable AACI prepared pro-forma appraisal for the Project confirming a pro-forma value of no less than \$18,000,000. *(Condition Met)*
10. a) All existing sales are to be forwarded to the Bank displaying total sale proceeds of no less than \$17,648,000 net of GST (48,600 gross square feet) with qualifying presale proceeds of no less than \$13,067,000 net of GST (36,400 gross square feet). P&S agreements are to be satisfactory to the Bank.
- Qualifying presales are defined as follows:
- a. Minimum paid deposit of 15%;
  - b. No non-arm's length purchaser;
  - c. No bulk purchasers are permitted without the written consent of the Bank. For clarity, a bulk purchaser is classified as a purchaser of more than two units as defined by the site plan.
- b) P&S agreements for the presales required per Disbursement Condition #10a are to be reviewed by the Bank's solicitor and found to be firm and legally binding.
- ((a) & (b) - Conditions Met)*
11. The existing private mortgages on the subject property in an amount of \$1,264,070 are to be fully postponed to Bank's first mortgage. A copy of the private loan agreement between the Borrower and the private mortgage lender are to be provided to the Bank for its review and to the Bank's and/or its solicitor's complete satisfaction. The agreements are to confirm that no payments of any kind (including but not limited to interest payments) are to be made on the private mortgages until the Bank has been repaid/cash secured in full.

12. Evidence that all deposits collected from purchasers are held in a trust account to the Bank's satisfaction. *(Condition Met)*
13. The Borrower is to provide the following evidence for the recently completed 18,000 square foot retail condominium development located at 5899 Trelawny circle, Mississauga, Ontario:
  - a) Evidence that the project is substantially complete and will be registered within the next 3 months. *(Condition Met)*
  - b) Evidence of a minimum of \$5,100,000 in gross sale proceeds to be received from the project at closing. *(Condition Met)*
  - c) Total direct exposure of no greater than \$1,900,000 against the property. Total direct exposure to be confirmed via sub-search and updated loan/mortgage statement to be completed by the Bank. *(Condition Met)*
14. Satisfactory evidence to be provided by Ravinder Chahal that the current R9 that appears on his credit bureau, associated with credit extended by MBNA, was due to fraudulent activities and a satisfactory settlement has been negotiated. *(Condition Met)*
15. Insurance Review to be completed by In-Tech Management Inc. and deemed satisfactory to the Bank. *(Condition Met)*

#### FINANCIAL COVENANTS

1. The Borrower is to maintain minimum cash equity of \$3,950,000 (per Disbursement Condition #4). No equity/profit withdrawals are permitted while the company is indebted to the Bank or until formally permitted by the Bank in writing.
2. Monthly loan advances to be made on a work in place/cost to complete method, to be supported by Quantity Surveyor confirming:
  - a) The amount requested by the Borrower does not exceed 100% of the costs of the work in place in accordance with the project budget, as by the monitor, less the aggregate of statutory lien holdbacks.
  - b) All construction work to date is substantially complete in accordance with approved project plans and specifications.
  - c) All overruns, other than those previously approved by the Bank, have been funded in full by the Borrower.
  - d) Sufficient credit facility funds, which have not yet been advanced, remain available within the existing credit lines to complete construction of the project.
3. Each construction advance to be preceded by a subsearch confirming that title to the subject property is clear excluding the Bank's mortgage and any encumbrances to which the Bank has consented in writing.



4. Facility #1 is to be repaid in full from net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources no later than January 31, 2010.
5. Upon repayment of Facility #1, Facility #2 is to be cash secured from either net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources.
6. All purchaser deposits not held in trust are to be applied as a permanent reduction to Facility #1.
7. Borrower to provide evidence that realty tax payments are current annually within 120 days of calendar year end.
8. Cost overruns will be for the account of the Borrower, to be covered immediately as identified.
9. Site inspections to be conducted by the Bank, monthly or as otherwise deemed appropriate, to monitor the progress of site servicing and construction of the subject buildings, to be in line with usage under Facility #1.
10. The property is not to be further encumbered without the prior written consent of the Bank. The Bank permits the registration of a second and third mortgage to cover the private mortgages in the total amount of \$1,264,070, which is to be fully postponed to the Bank (i.e. no payment of any kind including interest payments are permitted until the Bank is fully repaid).
11. Sale or transfer of the beneficial ownership in the property is not permitted without the prior written consent of the Bank.
12. All costs incurred in association with the financing contemplated herein are for the account of the Borrower.
13. Any lease or easement that would restrict use of the property must have prior approval of the Bank and its solicitor.
14. Any construction liens are to be cleared from the property no later than 30 days after they are registered.
15. Discharge of the parking lot (separate pin/condo) will be permitted after full repayment/cash offset of Facility #1 and #2.

**NON WAIVER**

The Bank will not be considered to have waived compliance with or amended any part of this letter or any obligation of the Borrower hereunder or under any other document unless such waiver or amendment is set out specifically in writing. The Bank shall not be deemed to have waived compliance with any obligation of the Borrower simply because it does not exercise any of its rights and remedies immediately upon occurrence of such breach.

**REPRESENTATIONS**

No representation or warranty or other statement made by the Bank concerning the credit shall be binding on the Bank unless made by it in writing as a specific amendment to this letter.

**ENVIRONMENTAL**

The Borrower represents and warrants (which representation and warranty shall continue so long as any amounts are outstanding hereunder) that:

The undersigned's business is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The undersigned hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered incurred in connection with the indebtedness under the Note or the security provided to secure such indebtedness.

**EXPENSES**

The Borrower shall pay all fees (including but not limited to all legal and documentation fees) and expenses incurred by the Bank or the Borrower in connection with the registration of the Bank Security and with the enforcement of the Bank's rights relating to the Direct Loan or the Bank Security, whether or not any amounts are advanced under the Direct Loan. These fees and expenses shall include, but not be limited, to all outside counsel expenses and all in-house legal expenses, if in-house counsel is used.

**EVIDENCE OF INDEBTEDNESS**

The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank.

**LANGUAGE PREFERENCE**

This Agreement has been drawn up in English at the request of all parties.

**SOLICITORS**

The solicitors for this transaction, as it relates to the completion of security, shall be a firm acceptable to and acting solely on behalf of The Bank.

We ask the borrower and all guarantors sign and return the attached duplicate copy of this letter to the undersigned on or before December 19, 2008.

Yours truly,

The Toronto-Dominion Bank



Rene Angelini  
Account Manager, Real Estate



Robert Rothgerber  
Manager Commercial Credit

The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility the 12 day of Dec, 2008.

As Borrower:

2012241 Ontario Ltd.

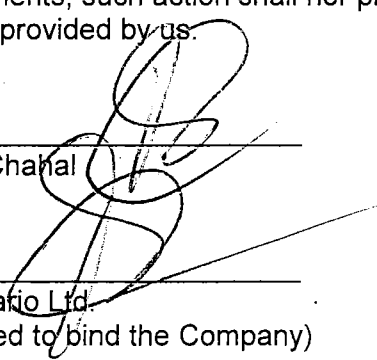
Per (authorized to bind the company)

**As Guarantors (Personal/Corporate)**

TO THE TORONTO-DOMINION BANK:

The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility this 12 day of Dec 2008, and agrees that if the Bank fails to insist upon strict performance of observance of the requirements of the letter set out above or in any other agreement which now or may hereafter apply to the credit facility, or waives or amends any such requirements, such action shall not prejudice the Bank's rights under the guarantee of the Borrower provided by us.

Ravinder S. Chahal



Jagdev Dhaliwal



1611161 Ontario Ltd.  
Per (Authorized to bind the Company)

Tab 3



## Commercial Banking

TD Commercial Banking  
 Mississauga Real Estate Group  
 20 Milverton Drive, 2nd Floor  
 Mississauga, Ontario, L5R 3G2  
 T: 905 890 4177 F: 905 890 4121  
 Direct Line: 905 890 4171

July 28, 2009

**2012242 ONTARIO LIMITED**  
 470 Chrysler Drive Unit 20  
 Brampton, Ontario  
 L6S 0C1

Attention: Ravinder Chahal

### Commitment Letter

**We are pleased to inform you of the Bank's intention to make available the following uncommitted facilities. This offer supersedes any previous offers.**

#### BORROWER

2012242 Ontario Limited (the "Borrower")

#### LENDER

The Toronto-Dominion Bank (the "Bank"), through its Mississauga Centre branch, in Mississauga, Ontario.

#### TYPE OF CREDIT AND AMOUNT

Facility #1 Direct Construction	\$12,000,000
Facility #2 Letters of Credit/Guarantee	\$500,000
<b>TOTAL</b>	<b>\$12,500,000</b>

#### PURPOSE

##### **Facility #1**

To finance the construction of a three storey commercial condominium development with 53,289 gross square feet with 47 units and 264 parking spots (underground gross area of 43,996 square feet) to be located at 50 Sunny Meadow Circle, Brampton, Ontario.

##### **Facility #2**

Performance Letter of Credit requirements for a three storey commercial condominium development with 53,289 gross square feet with 47 units and 264 parking spots

(underground gross area of 43,996 square feet) to be located at 50 Sunny Meadow Circle, Brampton, Ontario.

### INTEREST RATES

Credit facilities shall bear interest and fees as follows:

#### **Facility #1**

Prime Rate\* + 1.75% per annum.

*\*The Toronto-Dominion Bank's prime lending rate as published from time to time plus 1.75%, with interest calculated and payable monthly on the number of days elapsed.*

#### **Facility #2**

1% per annum, payable in advance.

*Note: Prime Rate means the rate of interest per annum (based on a 365/366 day year) established by the Bank from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.*

*Interest on Prime Based Loans is calculated daily and payable monthly in arrears based on the number of days which the loan is outstanding.*

*Interest is payable both before and after demand, default and judgement.*

### REPAYMENT

Facility #1: On demand, per conditions of credit.

Facility #2: Return or cancellation by the beneficiary, or if drawn, via security pledged/to be pledged.

### PREPAYMENT

Facility #1-#2: Open for prepayment without penalty or bonus.

### DRAWDOWN

Facility #1-#2: As required, per conditions of credit.

### FEES

#### **Renewal Fee:**

In the event Facility #1 and #2 are outstanding 18 months from initial drawdown, the Borrower will be charged a Renewal Fee in the amount of 20 basis points of the remaining authorized credit limit under Facility #1 and #2.

*Note: Initial drawdown under Facility #1 occurred in December 18, 2008. Therefore, the Renewal Fee is payable June 18, 2010.*

**Administration Fees:**

\$150 Funding Fee per Draw Request.

\$100 Discharge Fee per Unit.

**SECURITY***All security is on hand.*

1. General Security Agreement in first position from the Borrower, with Resolution and Solicitor's Letter of Opinion.
2. General Security Agreement in first position from 1611161 Ontario Limited, with Resolution and Solicitor's Letter of Opinion.
3. Unlimited corporate guarantee of advances from 1611161 Ontario Limited.
4. Continuing Collateral Mortgage in first position in the amount of \$12,500,000 issued by the Borrower on the property located at 50 Sunny Meadow Circle, Brampton, Ontario together with Solicitor's Letter of Opinion and supporting documentation.
5. Limited personal guarantee of advances from Jagdev Dhaliwal in the amount of \$4,000,000.
6. Limited personal guarantee of advances from Ravinder Chahal in the amount of \$4,000,000.
7.
  - a) Assignment of Builder's All Risk Insurance in the amount of \$8,500,000 issued by the Borrower.
  - b) Evidence of Business/Liability Insurance in the amount of \$5,000,000 issued by the Borrower.
8. Postponement Agreement executed by the Bank and the 2<sup>nd</sup> and 3<sup>rd</sup> mortgagees fully postponing the existing 2<sup>nd</sup> and 3<sup>rd</sup> mortgagees totalling \$1,264,070 (1<sup>st</sup> mortgage in the amount of \$400,000 and 2<sup>nd</sup> mortgage in the amount of \$864,070) to the Bank's first mortgage.
9. Assignment of Term Deposits and Credit Balances in the amount of \$500,000 issued by the Borrower (re. future cash offset of L/C's).
10. General hypothecation of Stocks and Bonds issued by the Borrower (re. future cash offset of L/C's).
11. Bond(s) of Indemnity supporting L/C's.

**FINANCIAL COVENANTS**

1. The Borrower is to maintain minimum cash equity of \$3,946,000. No equity/profit withdrawals are permitted while the company is indebted to the Bank or until formally permitted by the Bank in writing.
2. Monthly loan advances to be made on a work in place/cost to complete method, to be supported by Quantity Surveyor confirming:
  - a) The amount requested by the Borrower does not exceed 100% of the costs of the work in place in accordance with the project budget, as by the monitor, less the aggregate of statutory lien holdbacks.
  - b) All construction work to date is substantially complete in accordance with approved project plans and specifications.
  - c) All overruns, other than those previously approved by the Bank, have been funded in full by the Borrower.
  - d) Sufficient credit facility funds, which have not yet been advanced, remain available within the existing credit lines to complete construction of the project.
3. In Lieu of bonding insurance with the Bank the following are required:
  - a) On a monthly basis Versa Construction Limited (project General Contractor) is to provide Statutory Declarations / WSIB Clearance Certificates for its respective subcontractors to the Quantity Surveyor.
  - b) On a monthly basis Versa Construction Limited (project General Contractor) is to provide a copy of its Accounts Payables for all subcontractors to the Quantity Surveyor.
4. Each construction advance to be preceded by a subsearch confirming that title to the subject property is clear excluding the Bank's mortgage and any encumbrances to which the Bank has consented in writing.
5. Facility #1 is to be repaid in full from net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources no later than January 31, 2010.
6. Upon repayment of Facility #1, Facility #2 is to be cash secured from either net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources. The Borrower is prohibited from providing VTB Mortgages to unit purchasers on closing.
7. All purchaser deposits not held in trust are to be applied as a permanent reduction to Facility #1.
8. Borrower to provide evidence that realty tax payments are current annually within 120 days of calendar year end.



9. Cost overruns will be for the account of the Borrower, to be covered immediately as identified.
10. Site inspections to be conducted by the Bank, monthly or as otherwise deemed appropriate, to monitor the progress of site servicing and construction of the subject buildings, to be in line with usage under Facility #1.
11. The property is not to be further encumbered without the prior written consent of the Bank. The Bank permits the registration of a second and third mortgage to cover the private mortgages totalling \$1,264,070 which are to be fully postponed to the Bank (i.e. no payment of any kind including interest payments are permitted until the Bank is fully repaid).
12. Sale or transfer of the beneficial ownership in the property is not permitted without the prior written consent of the Bank.
13. All costs incurred in association with the financing contemplated herein are for the account of the Borrower.
14. Any lease or easement that would restrict use of the property must have prior approval of the Bank and its solicitor.
15. Any construction liens are to be cleared from the property no later than 30 days after they are registered.
16. Discharge of the parking lot (separate pin/condo) will be permitted after full repayment/cash offset of Facility #1 and #2.

#### **NON WAIVER**

The Bank will not be considered to have waived compliance with or amended any part of this letter or any obligation of the Borrower hereunder or under any other document unless such waiver or amendment is set out specifically in writing. The Bank shall not be deemed to have waived compliance with any obligation of the Borrower simply because it does not exercise any of its rights and remedies immediately upon occurrence of such breach.

#### **REPRESENTATIONS**

No representation or warranty or other statement made by the Bank concerning the credit shall be binding on the Bank unless made by it in writing as a specific amendment to this letter.

#### **ENVIRONMENTAL**

The Borrower represents and warrants (which representation and warranty shall continue so long as any amounts are outstanding hereunder) that:

The undersigned's business is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials

and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The undersigned hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered incurred in connection with the indebtedness under the Note or the security provided to secure such indebtedness.

#### EXPENSES

The Borrower shall pay all fees (including but not limited to all legal and documentation fees) and expenses incurred by the Bank or the Borrower in connection with the registration of the Bank Security and with the enforcement of the Bank's rights relating to the Direct Loan or the Bank Security, whether or not any amounts are advanced under the Direct Loan. These fees and expenses shall include, but not be limited, to all outside counsel expenses and all in-house legal expenses, if in-house counsel is used.

#### EVIDENCE OF INDEBTEDNESS

The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank.

#### LANGUAGE PREFERENCE

This Agreement has been drawn up in English at the request of all parties.

#### SOLICITORS

The solicitors for this transaction, as it relates to the completion of security, shall be a firm acceptable to and acting solely on behalf of The Bank.

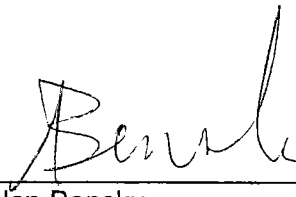
We ask the borrower and all guarantors sign and return the attached duplicate copy of this letter to the undersigned on or before August 31, 2009.

Yours truly,

The Toronto-Dominion Bank



Rene Angelini  
Account Manager, Real Estate

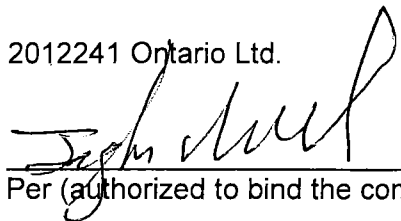


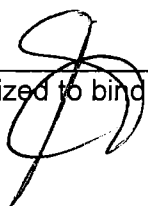
Alan Bensky  
Vice President, Real Estate

The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility the 11<sup>th</sup> day of Aug, 2009.

As Borrower:

2012241 Ontario Ltd.

  
Per (authorized to bind the company)

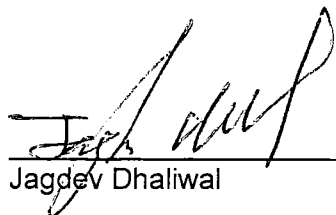
  
Per (authorized to bind the company)

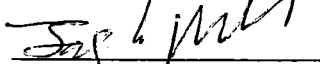
**As Guarantors (Personal/Corporate)**

TO THE TORONTO-DOMINION BANK:

The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility this 11<sup>th</sup> day of August 2009, and agrees that if the Bank fails to insist upon strict performance of observance of the requirements of the letter set out above or in any other agreement which now or may hereafter apply to the credit facility, or waives or amends any such requirements, such action shall not prejudice the Bank's rights under the guarantee of the Borrower provided by us.

  
Ravinder S. Chahal

  
Jagdev Dhaliwal

  
1611161 Ontario Ltd.  
Per (Authorized to bind the Company)



GRID PROMISSORY NOTE

THE TORONTO-DOMINION BANK  
MISSISSAUGA CENTRE 12752-004  
20 Milverton Dr. & Hwy. # 10  
Mississauga, Ontario L5R 2M8

\$ 12,000,000.00

BRANCH

DATE

\* "jointly and severally" may be deleted if the undersigned is one corporation or one individual borrower.

On Demand for value received the undersigned jointly and severally\* promise(s) to pay to THE TORONTO-DOMINION BANK (the "Bank") or order at the above Branch, in lawful money of Canada, the lesser of -

- (i) the principal sum of ---TWELVE MILLION DOLLARS---  
( \$ 12,000,000.00 ) DOLLARS (together with interest as determinable below) and
- (ii) the unpaid principal balance of all advances (together with interest as determinable below) made by the Bank to the undersigned as recorded by the Bank in its records.

The Bank shall record in its records the amount of all advances made under, payments made in respect of, and all other amounts becoming due to the Bank under this Note (collectively, the "Entries"). The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the undersigned to the Bank pursuant to this Note. The Entries shall be indicated on the statement of account or accounts (the "Statement of Account"). Unless within thirty (30) days of the date of the Statement of Account (the "Statement Date") the undersigned claims and establishes that an error has been made in the Entries, the undersigned shall be precluded after the Statement Date from objecting to the Entries listed on the Statement of Account, and after the Statement Date the Entries shall be admissible in any proceeding as full and conclusive evidence of the principal and accrued interest and shall be binding on the undersigned to the same extent and effect as though all the Entries had been made pursuant to written instructions from the undersigned.

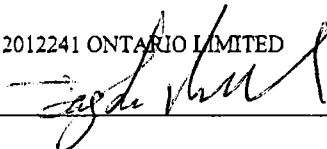

In addition to receiving the Statement of Account, the undersigned may for information purposes only, no more often than once quarterly, if requested, receive from the Bank a loan history statement of all advances made under and payments made in respect of this Note during that quarter.

The principal amount (including any overdue interest) outstanding hereunder shall bear interest calculated and payable monthly from and including the date hereof until paid, before and after default or judgement, at the Bank's prime rate plus 1.75 % per annum.

Prime rate means the rate of interest per annum established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of credit worthiness in Canada for Canadian dollar loans made by it in Canada.

The undersigned hereby acknowledge(s) that the undersigned will be bound by any and all changes of the prime rate irrespective of whether or not the Bank has directly notified the undersigned of any such changes.

For: 2012241 ONTARIO LIMITED

  
\_\_\_\_\_  


Tab 4



## Commercial Banking

TD Commercial Banking  
 Mississauga Real Estate Group  
 20 Milverton Drive, 2nd Floor  
 Mississauga, Ontario, L5R 3G2  
 T: 905 890 4177 F: 905 890 4121  
 Direct Line: 905 890 4171

January 27, 2010

**2012241 ONTARIO LIMITED**  
 470 Chrysler Drive Unit 20  
 Brampton, Ontario  
 L6S 0C1

Attention: Ravinder Chahal

### Commitment Letter

**We are pleased to inform you of the Bank's intention to make available the following uncommitted facilities. This offer supersedes any previous offers.**

#### BORROWER

2012241 Ontario Limited (the "Borrower")

#### LENDER

The Toronto-Dominion Bank (the "Bank"), through its Mississauga Centre branch, in Mississauga, Ontario.

#### TYPE OF CREDIT AND AMOUNT

Facility #1 Direct Construction	\$12,000,000
Facility #2 Letters of Credit/Guarantee	\$500,000
<b>TOTAL</b>	<b>\$12,500,000</b>

#### PURPOSE

##### **Facility #1**

To finance the construction of a three storey commercial condominium development with 53,289 gross square feet with 47 units and 264 parking spots (underground gross area of 43,996 square feet) to be located at 50 Sunny Meadow Circle, Brampton, Ontario.

##### **Facility #2**

Performance Letter of Credit requirements for a three storey commercial condominium development with 53,289 gross square feet with 47 units and 264 parking spots

(underground gross area of 43,996 square feet) to be located at 50 Sunny Meadow Circle, Brampton, Ontario.

### INTEREST RATES

Credit facilities shall bear interest and fees as follows:

#### **Facility #1**

Prime Rate\* + 1.75% per annum.

*\*The Toronto-Dominion Bank's prime lending rate as published from time to time plus 1.75%, with interest calculated and payable monthly on the number of days elapsed.*

#### **Facility #2**

1% per annum, payable in advance.

*Note: Prime Rate means the rate of interest per annum (based on a 365/366 day year) established by the Bank from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.*

*Interest on Prime Based Loans is calculated daily and payable monthly in arrears based on the number of days which the loan is outstanding.*

*Interest is payable both before and after demand, default and judgement.*

### REPAYMENT

Facility #1: On demand, per conditions of credit.

Facility #2: Return or cancellation by the beneficiary, or if drawn, via security pledged/to be pledged.

### PREPAYMENT

Facility #1-#2: Open for prepayment without penalty or bonus.

### DRAWDOWN

Facility #1-#2: As required, per conditions of credit.

### FEES

#### **Renewal Fee:**

In the event Facility #1 and #2 are outstanding 18 months from initial drawdown, the Borrower will be charged a Renewal Fee in the amount of 20 basis points of the remaining authorized credit limit under Facility #1 and #2.

*Note: Initial drawdown under Facility #1 occurred in December 18, 2008. Therefore, the Renewal Fee is payable June 18, 2010.*

**Restructuring Fee:**

A Restructuring Fee of \$25,000 is payable given the extension of the bullet repayment date from January 31, 2010 to May 31, 2010.

**Administration Fees:**

\$150 Funding Fee per Draw Request.

\$100 Discharge Fee per Unit.

**SECURITY**

*All security is on hand.*

1. General Security Agreement in first position from the Borrower, with Resolution and Solicitor's Letter of Opinion.
2. General Security Agreement in first position from 1611161 Ontario Limited, with Resolution and Solicitor's Letter of Opinion.
3. Unlimited corporate guarantee of advances from 1611161 Ontario Limited.
4. Continuing Collateral Mortgage in first position in the amount of \$12,500,000 issued by the Borrower on the property located at 50 Sunny Meadow Circle, Brampton, Ontario together with Solicitor's Letter of Opinion and supporting documentation.
5. Limited personal guarantee of advances from Jagdev Dhaliwal in the amount of \$4,000,000.
6. Limited personal guarantee of advances from Ravinder Chahal in the amount of \$4,000,000.
7. a) Assignment of Builder's All Risk Insurance in the amount of \$8,500,000 issued by the Borrower.  
b) Evidence of Business/Liability Insurance in the amount of \$5,000,000 issued by the Borrower.
8. Postponement Agreement executed by the Bank and the 2<sup>nd</sup> and 3<sup>rd</sup> mortgagees fully postponing the existing 2<sup>nd</sup> and 3<sup>rd</sup> mortgagees totalling \$1,264,070 (1<sup>st</sup> mortgage in the amount of \$400,000 and 2<sup>nd</sup> mortgage in the amount of \$864,070) to the Bank's first mortgage.
9. Assignment of Term Deposits and Credit Balances in the amount of \$500,000 issued by the Borrower (re. future cash offset of L/C's).
10. General hypothecation of Stocks and Bonds issued by the Borrower (re. future cash offset of L/C's).
11. Bond(s) of Indemnity supporting L/C's.



**FINANCIAL COVENANTS**

1. The Borrower is to maintain minimum cash equity of \$3,946,000. No equity/profit withdrawals are permitted while the company is indebted to the Bank or until formally permitted by the Bank in writing.
2. Monthly loan advances to be made on a work in place/cost to complete method, to be supported by Quantity Surveyor confirming:
  - a) The amount requested by the Borrower does not exceed 100% of the costs of the work in place in accordance with the project budget, as by the monitor, less the aggregate of statutory lien holdbacks.
  - b) All construction work to date is substantially complete in accordance with approved project plans and specifications.
  - c) All overruns, other than those previously approved by the Bank, have been funded in full by the Borrower.
  - d) Sufficient credit facility funds, which have not yet been advanced, remain available within the existing credit lines to complete construction of the project.
3. In Lieu of bonding insurance with the Bank the following are required:
  - a) On a monthly basis Versa Construction Limited (project General Contractor) is to provide Statutory Declarations / WSIB Clearance Certificates for its respective subcontractors to the Quantity Surveyor.
  - b) On a monthly basis Versa Construction Limited (project General Contractor) is to provide a copy of its Accounts Payables for all subcontractors to the Quantity Surveyor.
4. Each construction advance to be preceded by a subsearch confirming that title to the subject property is clear excluding the Bank's mortgage and any encumbrances to which the Bank has consented in writing.
5. Facility #1 is to be repaid in full from net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources no later than May 31, 2010.
6. Upon repayment of Facility #1, Facility #2 is to be cash secured from either net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources. The Borrower is prohibited from providing VTB Mortgages to unit purchasers on closing.
7. All purchaser deposits not held in trust are to be applied as a permanent reduction to Facility #1.
8. Borrower to provide evidence that realty tax payments are current annually within 120 days of calendar year end.

9. Cost overruns will be for the account of the Borrower, to be covered immediately as identified.
10. Site inspections to be conducted by the Bank, monthly or as otherwise deemed appropriate, to monitor the progress of site servicing and construction of the subject buildings, to be in line with usage under Facility #1.
11. The property is not to be further encumbered without the prior written consent of the Bank. The Bank permits the registration of a second and third mortgage to cover the private mortgages totalling \$1,264,070 which are to be fully postponed to the Bank (i.e. no payment of any kind including interest payments are permitted until the Bank is fully repaid).
12. Sale or transfer of the beneficial ownership in the property is not permitted without the prior written consent of the Bank.
13. All costs incurred in association with the financing contemplated herein are for the account of the Borrower.
14. Any lease or easement that would restrict use of the property must have prior approval of the Bank and its solicitor.
15. Any construction liens are to be cleared from the property no later than 30 days after they are registered.
16. Discharge of the parking lot (separate pin/condo) will be permitted after full repayment/cash offset of Facility #1 and #2.

#### **NON WAIVER**

The Bank will not be considered to have waived compliance with or amended any part of this letter or any obligation of the Borrower hereunder or under any other document unless such waiver or amendment is set out specifically in writing. The Bank shall not be deemed to have waived compliance with any obligation of the Borrower simply because it does not exercise any of its rights and remedies immediately upon occurrence of such breach.

#### **REPRESENTATIONS**

No representation or warranty or other statement made by the Bank concerning the credit shall be binding on the Bank unless made by it in writing as a specific amendment to this letter.

#### **ENVIRONMENTAL**

The Borrower represents and warrants (which representation and warranty shall continue so long as any amounts are outstanding hereunder) that:

The undersigned's business is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The undersigned hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered incurred in connection with the indebtedness under the Note or the security provided to secure such indebtedness.

#### EXPENSES

The Borrower shall pay all fees (including but not limited to all legal and documentation fees) and expenses incurred by the Bank or the Borrower in connection with the registration of the Bank Security and with the enforcement of the Bank's rights relating to the Direct Loan or the Bank Security, whether or not any amounts are advanced under the Direct Loan. These fees and expenses shall include, but not be limited, to all outside counsel expenses and all in-house legal expenses, if in-house counsel is used.

#### EVIDENCE OF INDEBTEDNESS

The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank.

#### LANGUAGE PREFERENCE

This Agreement has been drawn up in English at the request of all parties.

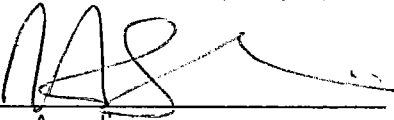
#### SOLICITORS

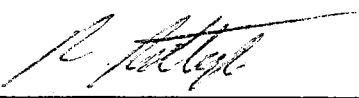
The solicitors for this transaction, as it relates to the completion of security, shall be a firm acceptable to and acting solely on behalf of The Bank.

We ask the borrower and all guarantors sign and return the attached duplicate copy of this letter to the undersigned on or before February 26, 2010.

Yours truly,

The Toronto-Dominion Bank

  
\_\_\_\_\_  
Rene Angelini  
Account Manager, Real Estate

  
\_\_\_\_\_  
Robert Rothgerber  
Manager Commercial Credit, Real Estate

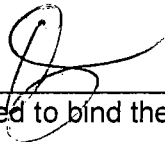
2012241 Ontario Ltd.

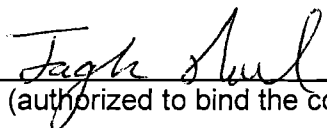
7 of 7

The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility the 27 day of June, 2010.

As Borrower:

2012241 Ontario Ltd.

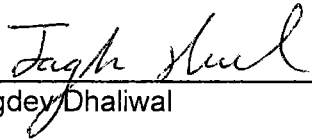

  
 Per (authorized to bind the company)

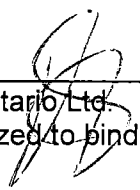

  
 Per (authorized to bind the company)
**As Guarantors (Personal/Corporate)**

TO THE TORONTO-DOMINION BANK:

The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility this 27 day of June 2010, and agrees that if the Bank fails to insist upon strict performance of observance of the requirements of the letter set out above or in any other agreement which now or may hereafter apply to the credit facility, or waives or amends any such requirements, such action shall not prejudice the Bank's rights under the guarantee of the Borrower provided by us.


  
 Ravinder S. Chahal


  
 Jagdey Dhaliwal


  
 1611161 Ontario Ltd.  
 Per (Authorized to bind the Company)

# Tab 5



## Commercial Banking

TD Commercial Banking  
 Mississauga Real Estate Group  
 20 Milverton Drive, 2nd Floor  
 Mississauga, Ontario, L5R 3G2  
 T: 905 890 4177 F: 905 890 4121  
 Direct Line: 905 890 4171

June 23, 2010

**2012241 ONTARIO LIMITED**  
 470 Chrysler Drive Unit 20  
 Brampton, Ontario  
 L6S 0C1

Attention: Ravinder Chahal

### Commitment Letter

**We are pleased to inform you of the Bank's intention to make available the following uncommitted facilities. This offer supersedes any previous offers.**

#### BORROWER

2012241 Ontario Limited (the "Borrower")

#### LENDER

The Toronto-Dominion Bank (the "Bank"), through its Mississauga Centre branch, in Mississauga, Ontario.

#### TYPE OF CREDIT AND AMOUNT

Facility #1 Direct Construction	\$12,000,000
Facility #2 Letters of Credit/Guarantee	\$500,000
<b>TOTAL</b>	<b>\$12,500,000</b>

#### PURPOSE

##### **Facility #1**

To finance the construction of a three storey commercial condominium development with 53,289 gross square feet with 47 units and 264 parking spots (underground gross area of 43,996 square feet) to be located at 50 Sunny Meadow Circle, Brampton, Ontario.

**Facility #2**

Performance Letter of Credit requirements for a three storey commercial condominium development with 53,289 gross square feet with 47 units and 264 parking spots (underground gross area of 43,996 square feet) to be located at 50 Sunny Meadow Circle, Brampton, Ontario.

**INTEREST RATES**

Credit facilities shall bear interest and fees as follows:

**Facility #1**

Prime Rate + 1.75% per annum.

*The Toronto-Dominion Bank's prime lending rate as published from time to time plus 1.75%, with interest calculated and payable monthly on the number of days elapsed.*

**Facility #2**

1% per annum, payable in advance.

*Note: Prime Rate means the rate of interest per annum (based on a 365/366 day year) established by the Bank from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.*

*Interest on Prime Based Loans is calculated daily and payable monthly in arrears based on the number of days which the loan is outstanding.*

*Interest is payable both before and after demand, default and judgement.*

**REPAYMENT**

Facility #1: On demand, per conditions of credit.

Facility #2: Return or cancellation by the beneficiary, or if drawn, via security pledged/to be pledged.

**PREPAYMENT**

Facility #1-#2: Open for prepayment without penalty or bonus.

**DRAWDOWN**

Facility #1-#2: As required, per conditions of credit.

**FEES****Renewal Fee:**

In the event Facility #1 and #2 are outstanding 18 months from initial drawdown, the Borrower will be charged a Renewal Fee in the amount of 20 basis points of the remaining authorized credit limit under Facility #1 and #2.

*Note: Initial drawdown under Facility #1 occurred on December 18, 2008. Therefore, a Renewal Fee in the amount of \$25,000 (20bps of \$12,500,000) was payable June 18, 2010 and will be taken as part of the next draw request.*

**Extension Fee:**

An Extension fee of \$10,000 will be charged on the 1<sup>st</sup> of the month on every month beyond August 31, 2010 until Facility #1 is fully repaid and facility #2 is fully cash secured, to a maximum of \$30,000, given the request to extend the bullet repayment date to November 30, 2010.

If the Facility #1 is not fully repaid and Facility #2 is not fully cash secured by Nov. 30, 2010, the Bank will assess the merits of further extensions at that time.

**Administration Fees:**

\$150 Funding Fee per Draw Request.

\$100 Discharge Fee per Unit.

**SECURITY**

*All security is on hand.*

1. General Security Agreement in first position from the Borrower, with Resolution and Solicitor's Letter of Opinion.
2. General Security Agreement in first position from 1611161 Ontario Limited, with Resolution and Solicitor's Letter of Opinion.
3. Unlimited corporate guarantee of advances from 1611161 Ontario Limited.
4. Continuing Collateral Mortgage in first position in the amount of \$12,500,000 issued by the Borrower on the property located at 50 Sunny Meadow Circle, Brampton, Ontario together with Solicitor's Letter of Opinion and supporting documentation.
5. Limited personal guarantee of advances from Jagdev Dhaliwal in the amount of \$4,000,000.
6. Limited personal guarantee of advances from Ravinder Chahal in the amount of \$4,000,000.



7. a) Assignment of Builder's All Risk Insurance in the amount of \$8,500,000 issued by the Borrower.  
b) Evidence of Business/Liability Insurance in the amount of \$5,000,000 issued by the Borrower.
8. Postponement Agreement executed by the Bank and the 2<sup>nd</sup> and 3<sup>rd</sup> mortgagees fully postponing the existing 2<sup>nd</sup> and 3<sup>rd</sup> mortgagees totalling \$1,264,070 (1<sup>st</sup> mortgage in the amount of \$400,000 and 2<sup>nd</sup> mortgage in the amount of \$864,070) to the Bank's first mortgage.
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10. General hypothecation of Stocks and Bonds issued by the Borrower (re. future cash offset of L/C's).
11. Bond(s) of Indemnity supporting L/C's.

#### FINANCIAL COVENANTS

1. The Borrower is to maintain minimum cash equity of \$3,946,000. No equity/profit withdrawals are permitted while the company is indebted to the Bank or until formally permitted by the Bank in writing.
2. Monthly loan advances to be made on a work in place/cost to complete method, to be supported by Quantity Surveyor confirming:
  - a) The amount requested by the Borrower does not exceed 100% of the costs of the work in place in accordance with the project budget, as by the monitor, less the aggregate of statutory lien holdbacks.
  - b) All construction work to date is substantially complete in accordance with approved project plans and specifications.
  - c) All overruns, other than those previously approved by the Bank, have been funded in full by the Borrower.
  - d) Sufficient credit facility funds, which have not yet been advanced, remain available within the existing credit lines to complete construction of the project.
3. In Lieu of bonding insurance with the Bank the following are required:
  - a) On a monthly basis Versa Construction Limited (project General Contractor) is to provide Statutory Declarations / WSIB Clearance Certificates for its respective subcontractors to the Quantity Surveyor.

- b) On a monthly basis Versa Construction Limited (project General Contractor) is to provide a copy of its Accounts Payables for all subcontractors to the Quantity Surveyor.
4. Each construction advance to be preceded by a subsearch confirming that title to the subject property is clear excluding the Bank's mortgage and any encumbrances to which the Bank has consented in writing.
  5. Facility #1 is to be repaid in full from net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources no later than November 30, 2010.
  6. Upon repayment of Facility #1, Facility #2 is to be cash secured from either net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources. The Borrower is prohibited from providing VTB Mortgages to unit purchasers on closing.
  7. All purchaser deposits not held in trust are to be applied as a permanent reduction to Facility #1.
  8. Borrower to provide evidence that realty tax payments are current annually within 120 days of calendar year end.
  9. Cost overruns will be for the account of the Borrower, to be covered immediately as identified.
  10. Site inspections to be conducted by the Bank, monthly or as otherwise deemed appropriate, to monitor the progress of site servicing and construction of the subject buildings, to be in line with usage under Facility #1.
  11. The property is not to be further encumbered without the prior written consent of the Bank. The Bank permits the registration of a second and third mortgage to cover the private mortgages totalling \$1,264,070 which are to be fully postponed to the Bank (i.e. no payment of any kind including interest payments are permitted until the Bank is fully repaid).
  12. Sale or transfer of the beneficial ownership in the property is not permitted without the prior written consent of the Bank.
  13. All costs incurred in association with the financing contemplated herein are for the account of the Borrower.
  14. Any lease or easement that would restrict use of the property must have prior approval of the Bank and its solicitor.
  15. Any construction liens are to be cleared from the property no later than 30 days after they are registered.
  16. Discharge of the parking lot (separate pin/condo) will be permitted after full repayment/cash offset of Facility #1 and #2.

**NON WAIVER**

The Bank will not be considered to have waived compliance with or amended any part of this letter or any obligation of the Borrower hereunder or under any other document unless such waiver or amendment is set out specifically in writing. The Bank shall not be deemed to have waived compliance with any obligation of the Borrower simply because it does not exercise any of its rights and remedies immediately upon occurrence of such breach.

**REPRESENTATIONS**

No representation or warranty or other statement made by the Bank concerning the credit shall be binding on the Bank unless made by it in writing as a specific amendment to this letter.

**ENVIRONMENTAL**

The Borrower represents and warrants (which representation and warranty shall continue so long as any amounts are outstanding hereunder) that:

The undersigned's business is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The undersigned hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered incurred in connection with the indebtedness under the Note or the security provided to secure such indebtedness.

**EXPENSES**

The Borrower shall pay all fees (including but not limited to all legal and documentation fees) and expenses incurred by the Bank or the Borrower in connection with the registration of the Bank Security and with the enforcement of the Bank's rights relating to the Direct Loan or the Bank Security, whether or not any amounts are advanced under the Direct Loan. These fees and expenses shall include, but not be limited, to all outside counsel expenses and all in-house legal expenses, if in-house counsel is used.

**EVIDENCE OF INDEBTEDNESS**

The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank.

**LANGUAGE PREFERENCE**

This Agreement has been drawn up in English at the request of all parties.

**SOLICITORS**

The solicitors for this transaction, as it relates to the completion of security, shall be a firm acceptable to and acting solely on behalf of The Bank.

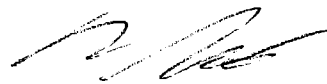
We ask the borrower and all guarantors sign and return the attached duplicate copy of this letter to the undersigned on or before **July 30, 2010**.

Yours truly,

The Toronto-Dominion Bank



Rene Angelini  
Account Manager, Real Estate

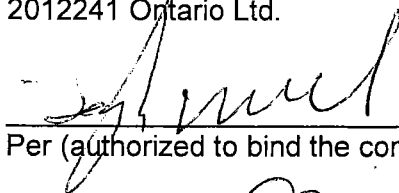


Robert Rothgerber  
Manager Commercial Credit, Real Estate

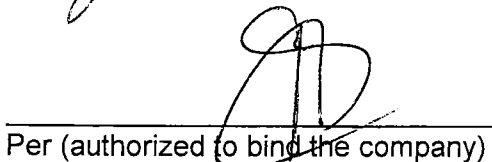
**The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility the 22 day of Sept, 2010.**

As Borrower:

2012241 Ontario Ltd.



Per (authorized to bind the company)

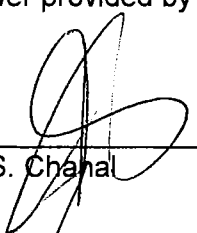
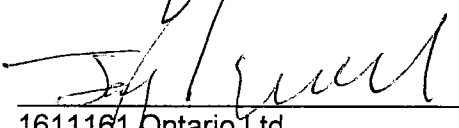


Per (authorized to bind the company)

**As Guarantors (Personal/Corporate)**

TO THE TORONTO-DOMINION BANK:

The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility this 22 day of Sept. 2010, and agrees that if the Bank fails to insist upon strict performance of observance of the requirements of the letter set out above or in any other agreement which now or may hereafter apply to the credit facility, or waives or amends any such requirements, such action shall not prejudice the Bank's rights under the guarantee of the Borrower provided by us.

  
\_\_\_\_\_  
Ravinder S. Chahal  
\_\_\_\_\_  
Jagdev Dhaliwal  
\_\_\_\_\_  
1611161 Ontario Ltd.

Per (Authorized to bind the Company)

Tab 6



TD Commercial Banking  
 Mississauga Real Estate Group  
 20 Milverton Drive, 2nd Floor  
 Mississauga, Ontario, L5R 3G2  
 T: 905 890 4177 F: 905 890 4121  
 Direct Line: 905 890 4172

March 30, 2011

2012241 ONTARIO LIMITED  
 470 Chrysler Drive Unit 20  
 Brampton, Ontario  
 L6S 0C1

Attention: Ravinder Chahal

Commitment Letter

We are pleased to inform you of the Bank's intention to make available the following uncommitted facilities. This offer supersedes any previous offers.

BORROWER

2012241 Ontario Limited (the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Mississauga Centre branch, in Mississauga, Ontario.

TYPE OF CREDIT AND AMOUNT

Facility #1: Direct Construction	\$12,225,883
Facility #2: Letters of Credit/Guarantee	\$274,117
<b>TOTAL</b>	<b>\$12,500,000</b>
<i>Current excess in the current account as at Mar 30, 2011.</i>	<i>\$80,000</i>

PURPOSE

**Facility #1**

To finance the construction of a three storey commercial condominium development with 53,289 gross square feet with 47 units and 264 parking spots (underground gross area of 43,996 square feet) to be located at 50 Sunny Meadow Circle, Brampton, Ontario.

**Facility #2**

Performance Letter of Credit requirements for a three storey commercial condominium development with 53,289 gross square feet with 47 units and 264 parking spots (underground gross area of 43,996 square feet) to be located at 50 Sunny Meadow Circle, Brampton, Ontario.

INTEREST RATES

Credit facilities shall bear interest and fees as follows:

Facility #1: Prime Rate + 1.75% per annum.

The Toronto-Dominion Bank's prime lending rate as published from time to time plus 1.75%, with interest calculated and payable monthly on the number of days elapsed.

Facility #2: 1% per annum, payable monthly in advance.

Note: Prime Rate means the rate of interest per annum (based on a 365/366 day year) established by the Bank from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

Interest on Prime Based Loans is calculated daily and payable monthly in arrears based on the number of days which the loan is outstanding.

Interest is payable both before and after demand, default and judgement.

REPAYMENT

Facility #1: On demand, per conditions of credit.

Facility #2: Return or cancellation by the beneficiary, or if drawn, via security pledged/to be pledged.

PREPAYMENT

Facility #1 & #2: Open for prepayment without penalty or bonus.

DRAWDOWN

Facility #1-#2: As required, per conditions of credit.

FEES

Extension Fee:

- Extension Fee is to be taken on the 1st of every month as per the following schedule;
- \$10,000 per month for months December 2010 - February 2011 (missed months at previous rate).
  - \$20,000 per month for months March 2011- May 2011.
  - \$30,000 per month thereafter.

Administration Fees:

\$150 Funding Fee per Draw/Request.

Discharge Fees:

\$1,500 per unit if the unit closes on or before May 30, 2011. The Discharge Fee increases by \$500/unit on the 1st of every month commencing June 1, 2011.

SECURITY

All security is on hand.

1. General Security Agreement in first position from the Borrower, with Resolution and Solicitor's Letter of Opinion.
2. General Security Agreement in first position from 1611161 Ontario Limited, with Resolution and Solicitor's Letter of Opinion.
3. Unlimited corporate guarantee of advances from 1611161 Ontario Limited.



4. Continuing Collateral Mortgage in first position in the amount of \$12,500,000 issued by the Borrower on the property located at 50 Sunny Meadow Circle, Brampton, Ontario together with Solicitor's Letter of Opinion and supporting documentation.
5. Limited personal guarantee of advances from Jagdev Dhaliwal in the amount of \$4,000,000.
6. Limited personal guarantee of advances from Ravinder Chahal in the amount of \$4,000,000.
7. a) Assignment of Fire Insurance in the amount of \$13,000,000 issued by the Borrower with the Bank noted as a Loss Payee on the insurance policy.  
b) Evidence of Business/Liability Insurance in the amount of \$5,000,000 issued by the Borrower.
8. Postponement Agreement executed by the Bank and the 2<sup>nd</sup> and 3<sup>rd</sup> mortgagees fully postponing the existing 2<sup>nd</sup> and 3<sup>rd</sup> mortgagees totalling \$1,264,070 (1<sup>st</sup> mortgage in the amount of \$400,000 and 2<sup>nd</sup> mortgage in the amount of \$864,070) to the Bank's first mortgage.
9. Assignment of Term Deposits and Credit Balances in the amount of \$500,000 issued by the Borrower (re. future cash offset of L/C's).
10. General hypothecation of Stocks and Bonds issued by the Borrower (re. future cash offset of L/C's).
11. Bond(s) of Indemnity supporting L/C's.

#### FINANCIAL COVENANTS

1. The Borrower is to maintain minimum equity of \$3,946,000. No equity/profit withdrawals are permitted while the company is indebted to the Bank or until formally permitted by the Bank in writing.
2. Monthly loan advances to be made on a work in place/cost to complete method, to be supported by Quantity Surveyor confirming:
  - a. The amount requested by the Borrower does not exceed 100% of the costs of the work in place in accordance with the project budget, as by the monitor, less the aggregate of statutory lien holdbacks.
  - b. All construction work to date is substantially complete in accordance with approved project plans and specifications.
  - c. All overruns, other than those previously approved by the Bank, have been funded in full by the Borrower.
  - d. Sufficient credit facility funds, which have not yet been advanced, remain available within the existing credit lines to complete construction of the project.
3. In lieu of bonding insurance with the Bank, the following are required:
  - a. On a monthly basis Versa Construction Limited (project General Contractor) is to provide Statutory Declarations / WSIB Clearance Certificates for their respective subcontractors to the Quantity Surveyor.
  - b. On a monthly basis Versa Construction Limited (project General Contractor) is to provide a copy of their Accounts Payables for all subcontractors to the Quantity Surveyor.
4. Each construction advance to be preceded by a sub-search confirming that title to the subject property is clear excluding the Bank's mortgage and any encumbrances to which the Bank has consented in writing.
5. Facility #1 is to be repaid in full from net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources no later than June 15, 2011.

6. Upon repayment of Facility #1, Facility #2 is to be cash secured from either net sale proceeds, take-out mortgage financing and/or from the Borrower's own resources. The Borrower is prohibited from providing VTB Mortgages to unit purchasers on closing.
7. All purchaser deposits not held in trust are to be applied as a permanent reduction to Facility #1.
8. Borrower to provide evidence that realty tax payments are current annually within 120 days of calendar year end.
9. Cost overruns will be for the account of the Borrower, to be covered immediately as identified.
10. Site inspections to be conducted by the Bank, monthly or as otherwise deemed appropriate, to monitor the progress of site servicing and construction of the subject buildings, to be in line with usage under Facility #1.
11. The property is not to be further encumbered without the prior written consent of the Bank. The Bank permits the registration of a second and third mortgage to cover the VTB mortgage in the amount of \$ 1,264,070, which is to be fully postponed to the Bank (i.e. no payment of any kind including interest payments are permitted until the Bank is fully repaid). Note: CCRM has verbally approved the payment of interest on a monthly basis to the 2nd and 3rd mortgage holders, which we are permitting subject to same falling within the project budget.
12. Sale or transfer of the beneficial ownership in the property is not permitted without the prior written consent of the Bank.
13. All costs incurred in association with the financing contemplated herein are for the account of the Borrower.
14. Any lease or easement that would restrict use of the property must have prior approval of the Bank and its solicitor.
15. Any construction liens are to be cleared from the property no later than 30 days after they are registered.
16. Discharge of the parking lot (separate pin/condo) will be permitted after full repayment/cash offset of Facility #1 and #2.

#### NON WAIVER

The Bank will not be considered to have waived compliance with or amended any part of this letter or any obligation of the Borrower hereunder or under any other document unless such waiver or amendment is set out specifically in writing. The Bank shall not be deemed to have waived compliance with any obligation of the Borrower simply because it does not exercise any of its rights and remedies immediately upon occurrence of such breach.

#### REPRESENTATIONS

No representation or warranty or other statement made by the Bank concerning the credit shall be binding on the Bank unless made by it in writing as a specific amendment to this letter.

#### ENVIRONMENTAL

The Borrower represents and warrants (which representation and warranty shall continue so long as any amounts are outstanding hereunder) that:

The undersigned's business is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The undersigned hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered incurred in connection with the indebtedness under the Note or the security provided to secure such indebtedness.

EXPENSES

The Borrower shall pay all fees (including but not limited to all legal and documentation fees) and expenses incurred by the Bank or the Borrower in connection with the registration of the Bank Security and with the enforcement of the Bank's rights relating to the Direct Loan or the Bank Security, whether or not any amounts are advanced under the Direct Loan. These fees and expenses shall include, but not be limited, to all outside counsel expenses and all in-house legal expenses, if in-house counsel is used.

EVIDENCE OF INDEBTEDNESS

The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank.

LANGUAGE PREFERENCE

This Agreement has been drawn up in English at the request of all parties.


SOLICITORS

The solicitors for this transaction, as it relates to the completion of security, shall be a firm acceptable to and acting solely on behalf of The Bank.


We ask the borrower and all guarantors sign and return the attached duplicate copy of this letter to the undersigned on or before April 15<sup>th</sup>, 2011.

Yours truly,

The Toronto-Dominion Bank



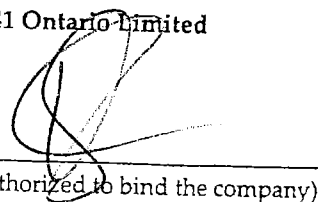
Sarah Auletta/ Ajay Raghuvanshi  
Account Manager, Real Estate



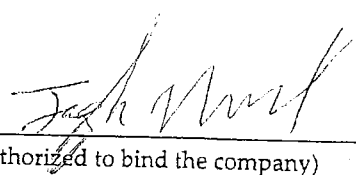
Rene Angelini  
Manager Commercial Credit, Real Estate

The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility the 7 day of JULY, 2011.

As Borrower:  
2012241 Ontario Limited



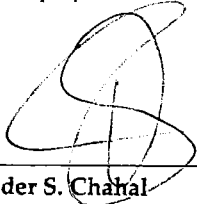
Per (authorized to bind the company)



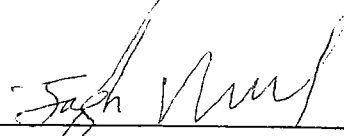
Per (authorized to bind the company)

As Guarantors (Personal/Corporate)  
TO THE TORONTO-DOMINION BANK:

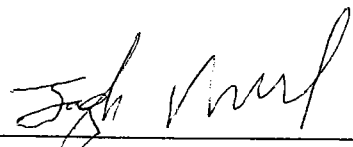
The undersigned hereby acknowledges receiving advice of the foregoing uncommitted credit facility this 7 day of July 2011, and agrees that if the Bank fails to insist upon strict performance of observance of the requirements of the letter set out above or in any other agreement which now or may hereafter apply to the credit facility, or waives or amends any such requirements, such action shall not prejudice the Bank's rights under the guarantee of the Borrower provided by us.



Ravinder S. Chahal



Jagdev Dhaliwal





1611161 Ontario Ltd.

Per (Authorized to bind the Company)

# **Tab E**

THIS IS **EXHIBIT E** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

~~A COMMISSIONER FOR TAKING AFFIDAVITS~~

Audited	
CAS	CCG
	

To: The Toronto-Dominion Bank

(hereinafter called the "Bank")

GRANTED BY: 2012241 ONTARIO LIMITED

(hereinafter called the "Undersigned")

**1. Security Interest**

As general and continuing security for the payment of all obligations, indebtedness and liabilities, direct or indirect, of the Undersigned to the Bank wheresoever and howsoever incurred and whether incurred before, at the time of or after the execution hereof, including extensions or renewals thereof, including without restricting the generality of the foregoing, obligations to the Bank for advances by the Bank to the Undersigned under fixed or revolving credits established from time to time, liability to the Bank for letters of credit or guarantees, whether or not drawn upon, issued or given by the Bank for the Undersigned and the obligation and liability of the Undersigned under any contract of guarantee now or hereafter in existence whereby the Undersigned guarantees payment of the debts, liabilities and obligations of a third party to the Bank (the obligations, indebtedness and liabilities of the Undersigned referred to above hereinafter collectively called "Obligations"), and, IN CONSIDERATION OF THE OBLIGATIONS, the Undersigned hereby grants, bargains, assigns and transfers to the Bank a first, fixed and specific mortgage and charge, as and by way of a continuing security interest (hereinafter together with any other security interest hereby created called the "Security Interest") in the following property described in sub-paragraphs (a), (b), (c), and (d) of this paragraph now or hereafter owned or acquired by or on behalf of the Undersigned:

Delete "and (d)"  
if inapplicable.Delete if inapplicable.  
If a Fixed and  
Specific Charge is  
Required, Complete  
Schedule.

- (a) **Intangibles** - all intangible property and not included in paragraph 10 below including, without limitation, all contractual rights and insurance claims, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Undersigned (all of which property is hereinafter collectively called "Intangibles");
- (b) **Proceeds** - all of the Undersigned's property in any form derived directly or indirectly from any use or dealing with the Collateral (defined in the last sentence of this paragraph) or that indemnifies or compensates for Collateral destroyed or damaged (all of which property is hereinafter collectively called "Proceeds");
- (c) **Books & Records** - all of the Undersigned's deeds, documents, writings, papers, books of account and other books relating to or being records of debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (d) **Equipment** - all tools, machinery, equipment, furniture, plants, fixtures, and other tangible personal property, vehicles and fixed goods and chattels including all tools, machinery, equipment, furniture, plants, fixtures, vehicles, fixed goods and chattels other than Inventory (as defined below), and any other property or assets of the kind, nature or description of the property or assets particularly described in the Schedule hereto (all of which property is hereinafter collectively called "Equipment");

and for the same consideration the Undersigned hereby grants, bargains, assigns and transfers to the Bank a first floating charge, as and by way of a continuing security interest, over:

- (e) **Inventory** - all goods and chattels now or hereafter forming the inventory of the Undersigned, of whatever kind and wherever located, including, without limitation, all goods, merchandise, raw material, work in process, finished goods and chattels held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Undersigned, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (all of which goods and chattels are hereinafter collectively called "Inventory");
- (f) **Real Estate** - all real and immovable property, both freehold and leasehold, now or hereafter owned or acquired by the Undersigned, together with all buildings, erections, improvements and fixtures situate thereupon or used in connection therewith, including any lease, verbal or written or any agreement therefor, (all of which property is hereinafter collectively called "Real Estate") provided, however, the last day of any term of any such lease, verbal or written, or any agreement therefor now held or hereafter held by the Undersigned, is excepted out of the Real Estate charged by this Agreement, but should such charge become enforceable the Undersigned shall thereafter stand possessed of any such reversion upon trust to assign and dispose thereof as the Bank may direct; and
- (g) **Other Property** - the undertaking and all other property and assets of the Undersigned for the time being of whatsoever nature and kind both present and future including without limiting the generality of the foregoing, uncalled capital, moneys, rights, franchises, negotiable and non-negotiable instruments, judgments and securities (all of which are hereinafter collectively called "Other Property"), other than that which is at any and all times validly subject to the first, fixed and specific mortgage and charge hereby created or subject to the assignment set forth in paragraph 10.

All of the above mentioned property together with the Assignment in paragraph 10 is hereinafter called the "Collateral".

**2. Location of Property**

The Undersigned confirms and warrants that the Collateral will be kept at the address immediately preceding the Schedule hereto or, if left blank at the address shown below the Undersigned's signature to this Agreement, and, subject to the provisions of paragraph 4, the Undersigned will not remove any of the Collateral from said location without the prior written consent of the Bank.

### 3. Representations, Warranties & Covenants

The Undersigned hereby represents, warrants or covenants to or with the Bank, as the case may be, that:

- (a) the Undersigned will reimburse the Bank for all costs and expenses (including legal fees on a solicitor and his own client basis) incurred by it in the preparation, execution and filing of this Agreement and the taking, recovering or possessing the Collateral and in any other proceedings taken for the purpose of protecting or enforcing the remedies provided herein, or otherwise in relation to the Collateral or by reason of non-payment of the Obligations and all such costs and expenses shall bear interest at the highest rate borne by any of the Obligations and shall be payable on demand;
- (b) except for the Security Interest the Undersigned is, or respecting the Collateral acquired after the date hereof will be, the owner of the Collateral free from any mortgage, lien, charge, security interest or encumbrance and the Undersigned will keep the Collateral free and clear of all taxes, assessments, liens and encumbrances;
- (c) the Undersigned will deliver to the Bank within three (3) months next after the end of each of the Undersigned's fiscal years, audited financial statements of the Undersigned, and, if the Undersigned is a corporation, will furnish annually to the Bank the information which is required to be furnished to the shareholders of a corporation under applicable law;
- (d) the Undersigned will care for, protect and preserve the Collateral and not permit its value to be impaired and, subject to paragraph 4, will not sell, transfer, assign, mortgage, charge, pledge, hypothecate or deliver or otherwise dispose of any such property or any interest therein without the prior written consent of the Bank;
- (e) the Undersigned will keep the Collateral insured under policies with such provisions, for such amounts and by such insurers satisfactory to the Bank from time to time, and will maintain such insurance with loss, if any, payable to the Bank and will lodge such policies with the Bank;
- (f) the Bank shall be entitled from time to time and at any time to inspect the Collateral wherever located and to make enquiries and tests concerning the Collateral, and the Undersigned will defray all expenses in connection therewith; and
- (g) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Undersigned in accordance with its terms.

### 4. Use of Specifically Charged Property

#### Dealing with Inventory, Real Estate or Other Property

Until the occurrence of an event of default, as hereinafter provided, the Undersigned may use the Collateral specifically charged in any lawful manner not inconsistent with this Agreement, and deal with the Inventory, Real Estate or Other Property or any part thereof in the ordinary course of business. Proceeds shall be received by the Undersigned in trust for the Bank and shall be forthwith paid over to the Bank.

### 5. Events of Default

Obligations not payable on demand shall become immediately payable upon the occurrence of one or more of the following events of default:

- (a) the Undersigned fails to pay when due any of the Obligations, or to perform or rectify a breach of any of the representations or warranties or covenants of this Agreement;
- (b) the Undersigned ceases or threatens to cease to carry on business, becomes insolvent or the subject of bankruptcy or insolvency proceedings;
- (c) any warranty or representation made to induce the Bank to extend credit to the Undersigned, under this Agreement or otherwise, is false in any material respect when made;
- (d) an encumbrancer takes possession of any of the Collateral or any process of execution is levied or enforced upon or against any of the Collateral;
- (e) indebtedness or liability of the Undersigned other than to the Bank becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof or any guarantee given by the Undersigned is not honoured when due and called upon;
- (f) a declaration of incompetency of the Undersigned by a court;
- (g) if the Undersigned is a partnership, the death of a partner; or
- (h) if the Undersigned is an individual, the death of the Undersigned;
- (i) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall have all rights and remedies under applicable law as well as any other rights and remedies provided by this Agreement.

### 6. Additional Powers Upon Default

In addition to the rights and powers provided in paragraphs 5 and 8 and under the Personal Property Security Act, the Bank and the Receiver, as defined in paragraph 8, shall have the following rights and powers if the security hereby constituted becomes enforceable:

- (a) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
- (b) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice whatever; and
- (c) to demand, sue for and receive any Book Debts with or without notice to the Undersigned, give effectual receipts and discharges therefor, compromise any Book Debts which may seem bad or doubtful to the Bank and give time for payment thereof with or without security,



and the Undersigned shall from time to time forthwith on the Bank's request execute, do and make all such agreements, statements, further assignments, acts, matters and things which may from time to time in the opinion of the Bank be necessary or expedient for the purpose of carrying into effect any of the provisions hereof and of perfecting the title of the Bank in the Collateral, and the Bank and any of its managers or acting managers are by the Undersigned hereby irrevocably constituted and appointed the true and lawful attorney of the Undersigned with full power of substitution for the Bank at its option whenever and wherever it may deem necessary or expedient to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Undersigned.

**7. Waiver by the Bank**

Any breach by the Undersigned of any of the provisions contained in this Agreement or any default by the Undersigned in the observance or performance of any covenant or condition required to be observed or performed by the Undersigned hereunder may only be waived by the Bank in writing, provided that no such waiver by the Bank shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

**8. Appointment of Receiver and Manager**

The Bank may appoint in writing any person, whether an employee or employees of the Bank or not, to be a receiver or a receiver and manager ("Receiver") of the Collateral or any part or parts thereof. A Receiver so appointed shall have power:

- (a) to take possession of, collect and get in the Collateral, or any part thereof and for that purpose to take any proceedings in the name of the Undersigned or otherwise;
- (b) to carry on or concur in carrying on the business of the Undersigned and for that purpose to raise money on the Collateral in priority to this Agreement or otherwise;
- (c) to sell or concur in selling any of the Collateral; and
- (d) to make any arrangement or compromise which the Receiver shall think expedient in the interest of the Bank.

Any Receiver so appointed shall be deemed to be the agent of the Undersigned, and the Undersigned shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses, and the Bank shall not be in any way responsible for any misconduct or negligence on the part of the Receiver. All moneys received by the Receiver after providing for payment of all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver shall be applied in or towards satisfaction of the Security Interest. The rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights the Bank may have from time to time.

**9. Perishable Collateral**

Except to the extent that the Bank believes on reasonable grounds that any part of the Collateral is perishable or will decline speedily in value, the Undersigned shall be entitled to not less than fifteen days' notice in writing of the date, time and place of any intended disposition of the Collateral, such notice to be sent by registered mail to the last known post office address of the Undersigned.

**10. General Assignment of Book Debts**

And the Undersigned for good and valuable consideration assigns, transfers, and sets over unto the Bank all debts, accounts, choses in action, claims, demands, and moneys now due or owing or accruing due or which may hereafter become due or owing to the Undersigned, including (without limiting the foregoing) claims against the Crown in the right of Canada or of any province, moneys which may become payable under any policy of insurance in respect of any loss by fire or other cause which has been or may be incurred by the Undersigned (collectively called "Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights, benefits and documents now or hereafter taken, vested in or held by the Undersigned in respect of or as security for the Book Debts hereby assigned or intended so to be or any part thereof and the full benefit and advantage thereof, and all rights of action, claim, or demand which the Undersigned now has or may at any time hereafter have against any person or persons, firm or corporation in respect thereof. The Undersigned further hereby covenants, promises, and agrees to and with the Bank to well and truly execute or cause to be executed all or any such further or other document or documents as shall or may be required by the Bank to more completely or fully vest in the Bank the Book Debts hereby assigned or intended so to be and the right to receive the said moneys or to enable the Bank to recover same and will from time to time prepare and deliver to the Bank all deeds, books, vouchers, promissory notes, bills of exchange, accounts, letters, invoices, papers, and all other documents in any way relating to the Book Debts. Provided that this assignment is and shall be a continuing collateral security to the Bank for the Obligations. All money or any other form of payment received by the Undersigned in payment of any Book Debts shall be received and held by the Undersigned in trust for the Bank.

**11. Appropriation**

The Bank shall have the right at any time to appropriate any payment made to any portion of the Obligations and to revoke or alter any such appropriation.

**12. Dealing with Security Interest**

The Bank may grant extensions of time and other indulgences, take and give up any of the Security Interest, or modify or abstain from perfecting or taking advantage of any of the Security Interest, accept compositions, grant releases and discharges thereof and otherwise deal with the Undersigned, debtors of the Undersigned, sureties and others and with any of the Security Interest as the Bank may see fit without prejudice to the liability of the Undersigned or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Undersigned for the value of any of the Security Interest released except for any moneys actually received by the Bank.

**13. Execution**

If more than one person executes this Agreement, the term "Undersigned" shall include each as well as all of them, any and all of their obligations hereunder shall be joint and several and these presents and such obligations shall continue in full force and effect and apply notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.

14. Term

This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be paid in full. In the event any provisions of this Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

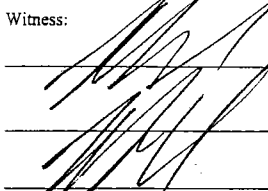
15 Non-Substitution

The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.

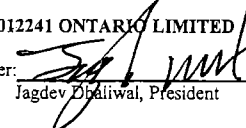
16 Acknowledgement

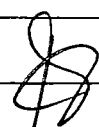
The Undersigned acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF the Undersigned has executed this Agreement this 10 day of September, 2008  
(month) (year)

Witness:  


2012241 ONTARIO LIMITED

Per:   
Jagdev Dhaliwal, President (Seal)

Per:   
Ravinder Singh Chahal, Secretary (Seal)

We have authority to bind the Corporation.

470 CHRYSLER DRIVE, UNIT 20, BRAMPTON, ONTARIO, L6S 0C1  
(Address)

Branch must Insert Date and Initial as

Date Received	_____
Recorded	_____
Approved	_____

Collateral is now and will hereafter be located at the following address(es):

- 1) 470 Chrysler Drive, Unit 20, Brampton, Ontario, L6S 0C1
- 2) 50 Sunny Meadow Boulevard, Toronto, Ontario

Quantity	Description	Serial number
If space is insufficient attach additional list headed: PAGE 2 OF SCHEDULE		

Resolution authorizing execution of general security agreement

"RESOLVED THAT THE President and the Secretary are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and that execution accordingly shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution."

"Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

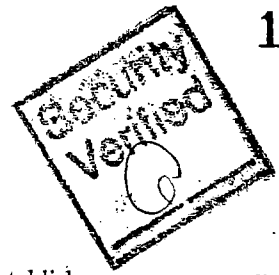
Certificate

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of 2012241 ONTARIO LIMITED

on the 10 day of August, 2008 and that the said Resolution is now in full force and effect.  
(month) (year)

Secretary -  C/S





RESOLUTION OF THE BOARD OF DIRECTORS  
OF  
2012241 ONTARIO LIMITED  
(the "Corporation")

WHEREAS The Toronto-Dominion Bank (the "Lender") has agreed to extend a loan or establish one or more credit facilities (collectively the "Loan") in favour of the Corporation on the terms and subject to the conditions set out in a letter of commitment dated July 3, 2008, as amended (the "Commitment");

AND WHEREAS the Corporation has agreed to provide to the Lender certain mortgages, charges, assignments and security agreements in order to secure the Loan;

NOW THEREFORE IT IS RESOLVED AS FOLLOWS:

1. The entering into of the Commitment by the Corporation, the execution of the Commitment for and on behalf of the Corporation and the delivery of the Commitment to the Lender are ratified, approved and confirmed.
2. The Corporation is authorized to fulfill and perform all of its agreements and obligations set out in the Commitment.
3. The Corporation is authorized to enter into and to perform its agreements and obligations set out in, and to encumber its property and assets in the manner contemplated by, each of the following (hereinafter collectively called the "Loan Documents"):
  - (a) Grid Promissory Note in the principal sum of \$12,000,000.00 with interest at the Lender's prime rate plus 1.00% per annum;
  - (b) Charge/Mortgage securing principal sum of \$12,500,000.00 in respect of the lands comprising Part Lot 11, Concession 5 EHS, 50 Sunny Meadow Boulevard, Brampton, Ontario; and
  - (c) all other mortgages, charges, pledges, assignments, security agreements, loan documents, agreements, undertakings, directions and other agreements and documents as required by the Commitment or as required by the Lender or its solicitors in accordance with the Commitment and to which the Corporation is a party;
4. Any director or officer of the Corporation is authorized and directed:
  - (a) to execute and to deliver the Loan Documents and all agreements, instruments and other documents as he, in his sole discretion, considers necessary, desirable or useful in connection with the Loan, each to be in such form and content as he may approve, his signature thereto to be conclusive evidence of such approval; and
  - (b) to do all such further acts and things and give such further assurances as he, in his sole discretion, considers necessary, desirable or useful in connection with the Loan.

THE FOREGOING IS HEREBY CERTIFIED to be a true and correct copy of a resolution of the board of directors of the Corporation passed in the manner required by law, which resolution is in full force and effect, unamended as of the date hereof.

DATED this 10 day of August, 2008.

  
\_\_\_\_\_  
Ravinder Singh Chahal, Secretary



# SIKDER PROFESSIONAL CORPORATION

## Barristers & Solicitors

Paltu Kumar Sikder, LL.M

Harjinder Chahal, B.A, J.D

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November 4, 2008

The Toronto-Dominion Bank  
TD Commercial Banking  
Mississauga Real Estate Group  
20 Milverton Drive, 2nd Floor  
MISSISSAUGA, Ontario  
L5R 3G2

-and-

Rose, Persiko, Rakowsky, Melvin LLP  
Barristers and Solicitors  
390 Bay Street, Suite 600  
Toronto, Ontario  
M5H 2Y2

Dear Sirs:

RE: THE TORONTO-DOMINION BANK loan to 2012241 ONTARIO LIMITED, Part Lot 11, Concession 5 EHS, 50 Sunny Meadow Boulevard, Brampton, Ontario

We act as counsel for 2012241 Ontario Limited (the "Borrower") and 1611161 Ontario Limited (the "Guarantor") and have acted on their behalves in connection with the above-noted loan (the "Loan") extended to the Borrower by The Toronto-Dominion Bank (the "Lender") in the principal amount of \$12,500,000.00 pursuant to letter of commitment dated July 3, 2008, as amended (collectively the "Commitment"), issued to the Borrower by the Lender.

We have reviewed the Commitment and all other documents delivered by the Borrower and the Guarantor in connection with the above-noted loan (hereinafter collectively called the "Loan Documents"), including, without limitation, the following:

1. Grid Promissory Note in the principal sum of \$12,000,000.00 dated September 10, 2008 made by the Borrower in favour of the Lender;
2. Unlimited Guarantee made by the Guarantor in favour of the Lender;
3. Acknowledgement and Direction dated September 10, 2008 authorizing electronic registration of a \$12,000,000.00 collateral Charge/Mortgage made by the Borrower in favour of the Lender;

4. General Security Agreement dated September 10, 2008 made by the Borrower in favour of the Lender;
5. General Security Agreement dated September 10, 2008 made by the Borrower in favour of the Lender;
6. Assignment of Sale Agreements dated September 10, 2008 made by the Guarantor in favour of the Lender;
7. Assignment of Term Deposits and Credit Balances dated September 10, 2008 made by the Borrower in favour of the Lender;
8. General Hypothecation of Stocks and bonds dated September 10, 2008 made by the Borrower in favour of the Lender;
9. Letter of Credit Indemnity Agreement dated September 10, 2008 made by the Borrower in favour of the Lender;
10. Assignment of Insurance Proceeds dated September 10, 2008 made by the Borrower in favour of the Lender;
11. Undertaking to Complete dated September 10, 2008 made by the Borrower, the Guarantor and others in favour of the Lender; and
12. Non-Merger Acknowledgement dated September 10, 2008 made by the Borrower, the Guarantor and others in favour of the Lender.

We have also examined the minute book and other corporate records of the Borrower and the Guarantor, the Loan Documents and have made such other examinations, investigations and searches (including, without limitation, reviewing such statutes and questions of law) as are necessary for the purposes of the opinion herein expressed.

Based and relying upon the foregoing, we are of the opinion that:

1. Each of the Borrower and the Guarantor has been duly incorporated and organized and is a valid and subsisting corporation under the laws of the Province of Ontario.
2. The Borrower has the requisite capacity, power and authority to enable it to borrow money from the Lender in accordance with the Loan Documents and to execute, deliver and perform its obligations under each of the Loan Documents.
3. The Guarantor has the requisite capacity, power and authority to enable it to guarantee the repayment to the Lender of the loan contemplated in the Loan Documents and to execute, deliver and perform its obligations under each of the Loan Documents.
4. Each of the Borrower and the Guarantor has duly taken all necessary acts and proceedings to authorize the execution and delivery of each of the Loan Documents to which it is a party and to authorize the performance of its obligations thereunder.
5. Each of the Loan Documents is in full force and effect and constitutes a legal, valid and binding obligation of the Borrower and the Guarantor, as the case may be.
6. The execution, delivery and performance of the Loan Documents by the Borrower and the Guarantor, as the case may be, will not conflict with, be in or contribute to a contravention, breach or default under: (a) its constating documents, by-laws and resolutions; (b) any law or statute by which it or any of its respective property, assets or undertaking is governed or to which it or any of its respective property, assets or undertaking is subject; or (c) any agreement, instrument or undertaking to which it is a party or by which it is bound and of which we have knowledge.

Yours very truly,

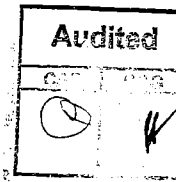
  
**HARINDER CHahal**  
Barrister & Solicitor

# Tab F



THIS IS **EXHIBIT F** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS <sup>10<sup>th</sup></sup> DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS



To: The Toronto-Dominion Bank

(hereinafter called the "Bank")

GRANTED BY: 1611161 ONTARIO LIMITED

(hereinafter called the "Undersigned")

**1. Security Interest**

As general and continuing security for the payment of all obligations, indebtedness and liabilities, direct or indirect, of the Undersigned to the Bank wheresoever and howsoever incurred and whether incurred before, at the time of or after the execution hereof, including extensions or renewals thereof, including without restricting the generality of the foregoing, obligations to the Bank for advances by the Bank to the Undersigned under fixed or revolving credits established from time to time, liability to the Bank for letters of credit or guarantees, whether or not drawn upon, issued or given by the Bank for the Undersigned and the obligation and liability of the Undersigned under any contract of guarantee now or hereafter in existence whereby the Undersigned guarantees payment of the debts, liabilities and obligations of a third party to the Bank (the obligations, indebtedness and liabilities of the Undersigned referred to above hereinafter collectively called "Obligations"), and, IN CONSIDERATION OF THE OBLIGATIONS, the Undersigned hereby grants, bargains, assigns and transfers to the Bank a first, fixed and specific mortgage and charge, as and by way of a continuing security interest (hereinafter together with any other security interest hereby created called the "Security Interest") in the following property described in sub-paragraphs (a), (b), (c), and (d) of this paragraph now or hereafter owned or acquired by or on behalf of the Undersigned:

Delete "and (d)"  
if inapplicable.

- (a) **Intangibles** - all intangible property and not included in paragraph 10 below including, without limitation, all contractual rights and insurance claims, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Undersigned (all of which property is hereinafter collectively called "Intangibles");
- (b) **Proceeds** - all of the Undersigned's property in any form derived directly or indirectly from any use or dealing with the Collateral (defined in the last sentence of this paragraph) or that indemnifies or compensates for Collateral destroyed or damaged (all of which property is hereinafter collectively called "Proceeds");
- (c) **Books & Records** - all of the Undersigned's deeds, documents, writings, papers, books of account and other books relating to or being records of debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;

Delete if inapplicable.  
If a Fixed and  
Specific Charge is  
Required, Complete  
Schedule.

- (d) **Equipment** - all tools, machinery, equipment, furniture, plants, fixtures, and other tangible personal property, vehicles and fixed goods and chattels including all tools, machinery, equipment, furniture, plants, fixtures, vehicles, fixed goods and chattels other than Inventory (as defined below), and any other property or assets of the kind, nature or description of the property or assets particularly described in the Schedule hereto (all of which property is hereinafter collectively called "Equipment");

and for the same consideration the Undersigned hereby grants, bargains, assigns and transfers to the Bank a first floating charge, as and by way of a continuing security interest, over:

- (e) **Inventory** - all goods and chattels now or hereafter forming the inventory of the Undersigned, of whatever kind and wherever located, including, without limitation, all goods, merchandise, raw material, work in process, finished goods and chattels held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Undersigned, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (all of which goods and chattels are hereinafter collectively called "Inventory");
- (f) **Real Estate** - all real and immovable property, both freehold and leasehold, now or hereafter owned or acquired by the Undersigned, together with all buildings, erections, improvements and fixtures situate thereupon or used in connection therewith, including any lease, verbal or written or any agreement therefor, (all of which property is hereinafter collectively called "Real Estate") provided; however, the last day of any term of any such lease, verbal or written, or any agreement therefor now held or hereafter held by the Undersigned, is excepted out of the Real Estate charged by this Agreement, but should such charge become enforceable the Undersigned shall thereafter stand possessed of any such reversion upon trust to assign and dispose thereof as the Bank may direct; and
- (g) **Other Property** - the undertaking and all other property and assets of the Undersigned for the time being of whatsoever nature and kind both present and future including without limiting the generality of the foregoing, uncalled capital, moneys, rights, franchises, negotiable and non-negotiable instruments, judgments and securities (all of which are hereinafter collectively called "Other Property"), other than that which is at any and all times validly subject to the first, fixed and specific mortgage and charge hereby created or subject to the assignment set forth in paragraph 10.

All of the above mentioned property together with the Assignment in paragraph 10 is hereinafter called the "Collateral".

**2. Location of Property**

The Undersigned confirms and warrants that the Collateral will be kept at the address immediately preceding the Schedule hereto or, if left blank at the address shown below the Undersigned's signature to this Agreement, and, subject to the provisions of paragraph 4, the Undersigned will not remove any of the Collateral from said location without the prior written consent of the Bank.

### 3. Representations, Warranties & Covenants

The Undersigned hereby represents, warrants or covenants to or with the Bank, as the case may be, that:

- (a) the Undersigned will reimburse the Bank for all costs and expenses (including legal fees on a solicitor and his own client basis) incurred by it in the preparation, execution and filing of this Agreement and the taking, recovering or possessing the Collateral and in any other proceedings taken for the purpose of protecting or enforcing the remedies provided herein, or otherwise in relation to the Collateral or by reason of non-payment of the Obligations and all such costs and expenses shall bear interest at the highest rate borne by any of the Obligations and shall be payable on demand;
- (b) except for the Security Interest the Undersigned is, or respecting the Collateral acquired after the date hereof will be, the owner of the Collateral free from any mortgage, lien, charge, security interest or encumbrance and the Undersigned will keep the Collateral free and clear of all taxes, assessments, liens and encumbrances;
- (c) the Undersigned will deliver to the Bank within three (3) months next after the end of each of the Undersigned's fiscal years, audited financial statements of the Undersigned, and, if the Undersigned is a corporation, will furnish annually to the Bank the information which is required to be furnished to the shareholders of a corporation under applicable law;
- (d) the Undersigned will care for, protect and preserve the Collateral and not permit its value to be impaired and, subject to paragraph 4, will not sell, transfer, assign, mortgage, charge, pledge, hypothecate or deliver or otherwise dispose of any such property or any interest therein without the prior written consent of the Bank;
- (e) the Undersigned will keep the Collateral insured under policies with such provisions, for such amounts and by such insurers satisfactory to the Bank from time to time, and will maintain such insurance with loss, if any, payable to the Bank and will lodge such policies with the Bank;
- (f) the Bank shall be entitled from time to time and at any time to inspect the Collateral wherever located and to make enquiries and tests concerning the Collateral, and the Undersigned will defray all expenses in connection therewith; and
- (g) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Undersigned in accordance with its terms.

### 4. Use of Specifically Charged Property

#### Dealing with Inventory, Real Estate or Other Property

Until the occurrence of an event of default, as hereinafter provided, the Undersigned may use the Collateral specifically charged in any lawful manner not inconsistent with this Agreement, and deal with the Inventory, Real Estate or Other Property or any part thereof in the ordinary course of business. Proceeds shall be received by the Undersigned in trust for the Bank and shall be forthwith paid over to the Bank.

### 5. Events of Default

Obligations not payable on demand shall become immediately payable upon the occurrence of one or more of the following events of default:

- (a) the Undersigned fails to pay when due any of the Obligations, or to perform or rectify a breach of any of the representations or warranties or covenants of this Agreement;
- (b) the Undersigned ceases or threatens to cease to carry on business, becomes insolvent or the subject of bankruptcy or insolvency proceedings;
- (c) any warranty or representation made to induce the Bank to extend credit to the Undersigned, under this Agreement or otherwise, is false in any material respect when made;
- (d) an encumbrancer takes possession of any of the Collateral or any process of execution is levied or enforced upon or against any of the Collateral;
- (e) indebtedness or liability of the Undersigned other than to the Bank becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof or any guarantee given by the Undersigned is not honoured when due and called upon;
- (f) a declaration of incompetency of the Undersigned by a court;
- (g) if the Undersigned is a partnership, the death of a partner; or
- (h) if the Undersigned is an individual, the death of the Undersigned;
- (i) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall have all rights and remedies under applicable law as well as any other rights and remedies provided by this Agreement.

### 6. Additional Powers Upon Default

In addition to the rights and powers provided in paragraphs 5 and 8 and under the Personal Property Security Act, the Bank and the Receiver, as defined in paragraph 8, shall have the following rights and powers if the security hereby constituted becomes enforceable:

- (a) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
- (b) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice whatever; and
- (c) to demand, sue for and receive any Book Debts with or without notice to the Undersigned, give effectual receipts and discharges therefor, compromise any Book Debts which may seem bad or doubtful to the Bank and give time for payment thereof with or without security,

and the Undersigned shall from time to time forthwith on the Bank's request execute, do and make all such agreements, statements, further assignments, acts, matters and things which may from time to time in the opinion of the Bank be necessary or expedient for the purpose of carrying into effect any of the provisions hereof and of perfecting the title of the Bank in the Collateral, and the Bank and any of its managers or acting managers are by the Undersigned hereby irrevocably constituted and appointed the true and lawful attorney of the Undersigned with full power of substitution for the Bank at its option whenever and wherever it may deem necessary or expedient to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Undersigned.

**7. Waiver by the Bank**

Any breach by the Undersigned of any of the provisions contained in this Agreement or any default by the Undersigned in the observance or performance of any covenant or condition required to be observed or performed by the Undersigned hereunder may only be waived by the Bank in writing, provided that no such waiver by the Bank shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

**8. Appointment of Receiver and Manager**

The Bank may appoint in writing any person, whether an employee or employees of the Bank or not, to be a receiver or a receiver and manager ("Receiver") of the Collateral or any part or parts thereof. A Receiver so appointed shall have power:

- (a) to take possession of, collect and get in the Collateral, or any part thereof and for that purpose to take any proceedings in the name of the Undersigned or otherwise;
- (b) to carry on or concur in carrying on the business of the Undersigned and for that purpose to raise money on the Collateral in priority to this Agreement or otherwise;
- (c) to sell or concur in selling any of the Collateral; and
- (d) to make any arrangement or compromise which the Receiver shall think expedient in the interest of the Bank.

Any Receiver so appointed shall be deemed to be the agent of the Undersigned, and the Undersigned shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses, and the Bank shall not be in any way responsible for any misconduct or negligence on the part of the Receiver. All moneys received by the Receiver after providing for payment of all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver shall be applied in or towards satisfaction of the Security Interest. The rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights the Bank may have from time to time.

**9. Perishable Collateral**

Except to the extent that the Bank believes on reasonable grounds that any part of the Collateral is perishable or will decline speedily in value, the Undersigned shall be entitled to not less than fifteen days' notice in writing of the date, time and place of any intended disposition of the Collateral, such notice to be sent by registered mail to the last known post office address of the Undersigned.

**10. General Assignment of Book Debts**

And the Undersigned for good and valuable consideration assigns, transfers, and sets over unto the Bank all debts, accounts, choses in action, claims, demands, and moneys now due or owing or accruing due or which may hereafter become due or owing to the Undersigned, including (without limiting the foregoing) claims against the Crown in the right of Canada or of any province, moneys which may become payable under any policy of insurance in respect of any loss by fire or other cause which has been or may be incurred by the Undersigned (collectively called "Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights, benefits and documents now or hereafter taken, vested in or held by the Undersigned in respect of or as security for the Book Debts hereby assigned or intended so to be or any part thereof and the full benefit and advantage thereof, and all rights of action, claim, or demand which the Undersigned now has or may at any time hereafter have against any person or persons, firm or corporation in respect thereof. The Undersigned further hereby covenants, promises, and agrees to and with the Bank to well and truly execute or cause to be executed all or any such further or other document or documents as shall or may be required by the Bank to more completely or fully vest in the Bank the Book Debts hereby assigned or intended so to be and the right to receive the said moneys or to enable the Bank to recover same and will from time to time prepare and deliver to the Bank all deeds, books, vouchers, promissory notes, bills of exchange, accounts, letters, invoices, papers, and all other documents in any way relating to the Book Debts. Provided that this assignment is and shall be a continuing collateral security to the Bank for the Obligations. All money or any other form of payment received by the Undersigned in payment of any Book Debts shall be received and held by the Undersigned in trust for the Bank.

**11. Appropriation**

The Bank shall have the right at any time to appropriate any payment made to any portion of the Obligations and to revoke or alter any such appropriation.

**12. Dealing with Security Interest**

The Bank may grant extensions of time and other indulgences, take and give up any of the Security Interest, or modify or abstain from perfecting or taking advantage of any of the Security Interest, accept compositions, grant releases and discharges thereof and otherwise deal with the Undersigned, debtors of the Undersigned, sureties and others and with any of the Security Interest as the Bank may see fit without prejudice to the liability of the Undersigned or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Undersigned for the value of any of the Security Interest released except for any moneys actually received by the Bank.

**13. Execution**

If more than one person executes this Agreement, the term "Undersigned" shall include each as well as all of them, any and all of their obligations hereunder shall be joint and several and these presents and such obligations shall continue in full force and effect and apply notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.

14. Term

This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be paid in full. In the event any provisions of this Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

15 Non-Substitution

The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.

16. Acknowledgement

The Undersigned acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF the Undersigned has executed this Agreement this 10 day of August, 2008

Witness: [Handwritten signatures]

1611161 ONTARIO LIMITED
Per: Jagdev Bhaliwal, President (Seal)
Per: Sandeep Chahal, Secretary (Seal)

Branch must Insert Date and Initial as

Table with 2 columns: Date Received, Recorded, Approved

We have authority to bind the Corporation.
470 CHRYSLER DRIVE, UNIT 20, BRAMPTON, ONTARIO, L6S 0C1 (Address)

Collateral is now and will hereafter be located at the following address(es):

- 1) 470 Chrysler Drive, Unit 20, Brampton, Ontario, L6S 0C1
2) 50 Sunny Meadow Boulevard, Toronto, Ontario

Schedule

Table with 3 columns: Quantity, Description, Serial number. Includes text: If space is insufficient attach additional list headed: PAGE 2 OF SCHEDULE

Resolution authorizing execution of general security agreement

"RESOLVED THAT THE President and the Secretary are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and that execution accordingly shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution."

"Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

Certificate

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of

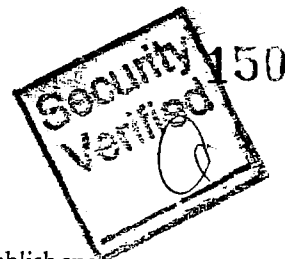
1611161 ONTARIO LIMITED

on the 10 day of August, 2008 and that the said Resolution is now in full force and effect.

[Handwritten signature]
Secretary - Sandeep Chahal C/S



RESOLUTION OF THE BOARD OF DIRECTORS  
OF  
1611161 ONTARIO LIMITED  
(the "Corporation")



WHEREAS The Toronto-Dominion Bank (the "Lender") has agreed to extend a loan or establish one or more credit facilities (collectively the "Loan") in favour of 2012241 Ontario Limited (the "Borrower") on the terms and subject to the conditions set out in a letter of commitment dated July 3, 2008, as amended (the "Commitment");

AND WHEREAS the Borrower has requested that the Corporation guarantee the Loan in favour of the Lender, and it is in the best interests of the Corporation to do so;

NOW THEREFORE IT IS RESOLVED AS FOLLOWS:

1. the Corporation is authorized to guarantee the repayment of the Loan to the Lender;
2. the Corporation is authorized to fulfill and perform all of its agreements and obligations (if any) set out in the Commitment;
3. the Corporation is authorized to enter into and to perform its agreements and obligations set out in, and to encumber its property and assets in the manner contemplated by, each of the following (hereinafter collectively called the "Loan Documents");
  - (a) an unlimited Guarantee in respect of the indebtedness of the Borrower to the Lender pursuant to the Commitment;
  - (b) General Security Agreement in respect of all assets and undertaking of the Corporation;
  - (c) Undertaking to Complete; and
  - (a) Non-Merger Acknowledgement.
4. any director or officer of the Corporation is authorized and directed:
  - (a) to execute and to deliver the Loan Documents and all agreements, instruments and other documents as he, in his sole discretion, considers necessary, desirable or useful in connection with the Loan, each to be in such form and content as he may approve, his signature thereto to be conclusive evidence of such approval; and
  - (b) to do all such further acts and things and give such further assurances as he, in his sole discretion, considers necessary, desirable or useful in connection with the Loan.

CERTIFIED to be a true and correct copy of a resolution of the board of directors of the Corporation passed in the manner required by law, which resolution is in full force and effect, unamended as of the date hereof.

DATED this 8 day of August, 2008.

Sandeep Chahal, Secretary





# SIKDER PROFESSIONAL CORPORATION

## Barristers & Solicitors

Paltu Kumar Sikder, LLM

Harjinder Chahal, BA, JD

1620 Albion Road  
Suite 306  
Toronto, Ontario  
M9V 4B4

Tel: (416) 740-2957

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Email: [hchahal@sikderlaw.ca](mailto:hchahal@sikderlaw.ca)

Website: [www.sikderlaw.ca](http://www.sikderlaw.ca)



November 4, 2008

The Toronto-Dominion Bank  
TD Commercial Banking  
Mississauga Real Estate Group  
20 Milverton Drive, 2nd Floor  
MISSISSAUGA, Ontario  
L5R 3G2

-and-

Rose, Persiko, Rakowsky, Melvin LLP  
Barristers and Solicitors  
390 Bay Street, Suite 600  
Toronto, Ontario  
M5H 2Y2

Dear Sirs:

RE: THE TORONTO-DOMINION BANK loan to 2012241 ONTARIO LIMITED, Part Lot 11, Concession 5 EHS, 50 Sunny Meadow Boulevard, Brampton, Ontario

We act as counsel for 2012241 Ontario Limited (the "Borrower") and 1611161 Ontario Limited (the "Guarantor") and have acted on their behalves in connection with the above-noted loan (the "Loan") extended to the Borrower by The Toronto-Dominion Bank (the "Lender") in the principal amount of \$12,500,000.00 pursuant to letter of commitment dated July 3, 2008, as amended (collectively the "Commitment"), issued to the Borrower by the Lender.

We have reviewed the Commitment and all other documents delivered by the Borrower and the Guarantor in connection with the above-noted loan (hereinafter collectively called the "Loan Documents"), including, without limitation, the following:

1. Grid Promissory Note in the principal sum of \$12,000,000.00 dated September 10, 2008 made by the Borrower in favour of the Lender;
2. Unlimited Guarantee made by the Guarantor in favour of the Lender;
3. Acknowledgement and Direction dated September 10, 2008 authorizing electronic registration of a \$12,000,000.00 collateral Charge/Mortgage made by the Borrower in favour of the Lender;

4. General Security Agreement dated September 10, 2008 made by the Borrower in favour of the Lender;
5. General Security Agreement dated September 10, 2008 made by the Borrower in favour of the Lender;
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12. Non-Merger Acknowledgement dated September 10, 2008 made by the Borrower, the Guarantor and others in favour of the Lender.

We have also examined the minute book and other corporate records of the Borrower and the Guarantor, the Loan Documents and have made such other examinations, investigations and searches (including, without limitation, reviewing such statutes and questions of law) as are necessary for the purposes of the opinion herein expressed.

Based and relying upon the foregoing, we are of the opinion that:

1. Each of the Borrower and the Guarantor has been duly incorporated and organized and is a valid and subsisting corporation under the laws of the Province of Ontario.
2. The Borrower has the requisite capacity, power and authority to enable it to borrow money from the Lender in accordance with the Loan Documents and to execute, deliver and perform its obligations under each of the Loan Documents.
3. The Guarantor has the requisite capacity, power and authority to enable it to guarantee the repayment to the Lender of the loan contemplated in the Loan Documents and to execute, deliver and perform its obligations under each of the Loan Documents.
4. Each of the Borrower and the Guarantor has duly taken all necessary acts and proceedings to authorize the execution and delivery of each of the Loan Documents to which it is a party and to authorize the performance of its obligations thereunder.
5. Each of the Loan Documents is in full force and effect and constitutes a legal, valid and binding obligation of the Borrower and the Guarantor, as the case may be.
6. The execution, delivery and performance of the Loan Documents by the Borrower and the Guarantor, as the case may be, will not conflict with, be in or contribute to a contravention, breach or default under: (a) its constating documents, by-laws and resolutions; (b) any law or statute by which it or any of its respective property, assets or undertaking is governed or to which it or any of its respective property, assets or undertaking is subject; or (c) any agreement, instrument or undertaking to which it is a party or by which it is bound and of which we have knowledge.

Yours very truly,

  
**HARJINDER CHahal**  
 Barrister & Solicitor

# Tab G

THIS IS **EXHIBIT G** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

~~A COMMISSIONER FOR TAKING AFFIDAVITS~~

RUN NUMBER : 273  
RUN DATE : 2011/09/30  
ID : 20110930151640.19

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : P5SR060  
PAGE : 1  
( 2660)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE  
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

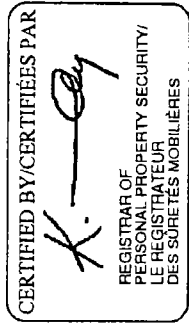
SEARCH CONDUCTED ON : 2012241 ONTARIO LIMITED

FILE CURRENCY : 29SEP 2011

ENQUIRY NUMBER 20110930151640.19 CONTAINS 7 PAGE(S), 3 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME  
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER  
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

AIRD & BERLIS LLP  
ATTN: SHANNON MORRIS  
HOLD FOR PICK UP  
TORONTO ON M5J2T9



CONTINUED . . . 2

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 273  
RUN DATE : 2011/09/30  
ID : 20110930151640.19

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2012241 ONTARIO LIMITED  
FILE CURRENCY : 29SEP 2011

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
652974381

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
01 001 20090427 1002 1462 3058 P PFSA 1

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME 2012241 ONTARIO LIMITED  
04 ADDRESS C/O 470 CHRYSLER DRIVE, UNIT 20 BRAMPTON ONTARIO CORPORATION NO. 2012241  
L6S0C1

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME JAGDEV DHALIWAL  
07 ADDRESS C/O 470 CHRYSLER DRIVE, UNIT 20 BRAMPTON ONTARIO CORPORATION NO.  
L6S0C1

08 SECURED PARTY / 1448037 ONTARIO LIMITED  
09 LIEN CLAIMANT ADDRESS 7050 BRAMALEA ROAD, UNIT 11 MISSISSAUGA ONT L5S1T1

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE  
X X X 400000 X

11 YEAR MAKE MODEL V.I.N.

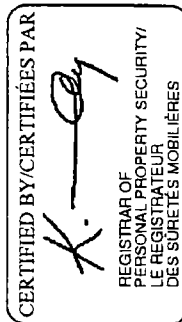
12 MOTOR VEHICLE

13 GENERAL CHARGE AND ASSIGNMENT OF RENT'S REGISTERED ON FEBRUARY 21, 2008  
14 COLLATERAL  
15 DESCRIPTION

16 REGISTERING AGENT RON E. FOLKES  
17 ADDRESS 14 NELSON STREET WEST, SUITE 1 BRAMPTON ON L6X1B7

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED . . . 3



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

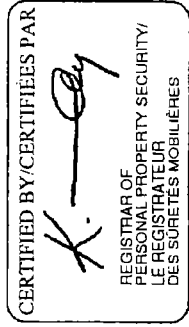
RUN NUMBER : 273  
RUN DATE : 2011/09/30  
ID : 20110930151640.19

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2012241 ONTARIO LIMITED  
FILE CURRENCY : 29SEP 2011

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	001	1		20100426 1517 1793 4907	
21	RECORD FILE NUMBER	652974381			
22	REFERENCE DEBTOR / TRANSFEROR				
23	REFERENCE DEBTOR / TRANSFEROR				
25	OTHER CHANGE REASON / DESCRIPTION				
26	DATE OF BIRTH				
27	DEBTOR / TRANSFEROR				
28	BUSINESS NAME				
02 / 05	DATE OF BIRTH				
03 / 06	BUSINESS NAME				
04 / 07	ADDRESS				
29	ASSIGNOR SECURED PARTY / LBN CLAIMANT / ASSIGNEE				
08	COLLATERAL CLASSIFICATION				
09	CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED				
10	YEAR MAKE MODEL				
11	MOTOR VEHICLE GENERAL DESCRIPTION				
12	REGISTRATION AGENT OR REGISTERING AGENT OR SECURED PARTY / LBN CLAIMANT				
13	ADDRESS				
14	DATE OF BIRTH				
15	DEBTOR / TRANSFEROR				
16	BUSINESS NAME				
17	ADDRESS				

ONTARIO CORPORATION NO.



CONTINUED . . . 4

RUN NUMBER : 273  
RUN DATE : 2011/09/30  
ID : 20110930151640.19

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 4  
( 2663 )

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2012241 ONTARIO LIMITED  
FILE CURRENCY : 29SEP 2011

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER

01 RECORD FILE NUMBER 652974381

21 REFERENCE PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT PERIOD  
001 1 652974381 B RENEWAL 1

22 REFERENCE FIRST GIVEN NAME INITIAL SURNAME

23 DEBTOR / BUSINESS NAME 2012241 ONTARIO LIMITED

24 TRANSFEROR

25 OTHER CHANGE

26 REASON /

27 DESCRIPTION

28

02 / DATE OF BIRTH

05 DEBTOR /

03 / BUSINESS NAME

06 TRANSFEROR

04 / 07 ADDRESS

ONTARIO CORPORATION INC

29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

08 ADDRESS

09 COLLATERAL CLASSIFICATION

CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT PAID/RENT OR MATURITY DATE

10 GOODS YEAR MAKE MODEL V.I.N.

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

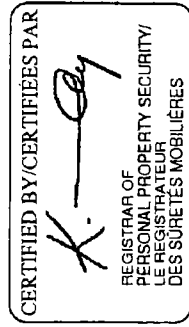
16 REGISTERING AGENT OR

17 SECURED PARTY / ADDRESS

LIEN CLAIMANT ADDRESS 14 NELSON STREET WEST, SUITE 1 BRAMPTON ON L6X1B7

FOLKES LEGAL PROFESSIONAL CORPORATION

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*





RUN NUMBER : 273  
RUN DATE : 2011/09/30  
ID : 20110930151640.19

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 5  
( 2664 )

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2012241 ONTARIO LIMITED  
FILE CURRENCY : 29SEP 2011

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
648818028

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
01 001 20080926 1407 1462 1596 P PSSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 BUSINESS NAME 2012241 ONTARIO LIMITED

04 ADDRESS 7050A BRAMALEA ROAD, UNIT 11 MISSISSAUGA

ONTARIO CORPORATION NO. 2012241  
ONT L5S1T1

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / 1448037 ONTARIO LIMITED

09 LIEN CLAIMANT ADDRESS 7050A BRAMALEA ROAD

MISSISSAUGA ONT L5S1T1

COLLATERAL CLASSIFICATION

10 CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS X 864070 X MATURITY OR Maturity DATE

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE CHARGE AND NOTICE OF ASSIGNMENT OF RENTIS-GENERAL REGISTERED

13 GENERAL CHARGE AND NOTICE OF ASSIGNMENT OF RENTIS-GENERAL REGISTERED

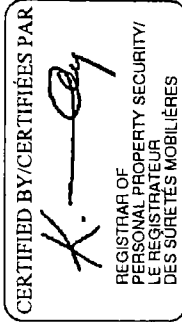
14 COLLATERAL SEPTEMBER 25, 2008

15 DESCRIPTION

16 REGISTERING AGENT RON E. FOLKES

17 ADDRESS 14 NELSON STREET WEST, SUITE 1 BRAMPTON ON L6X1B7

CONTINUED... 6



RUN NUMBER : 273  
 RUN DATE : 2011/09/30  
 ID : 20110930151640.19

PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 6  
 ( 2665)

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : 2012241 ONTARIO LIMITED  
 FILE CURRENCY : 29SEP 2011

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
 647532792

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
 001 001 20080807 0938 1862 6843 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
 03 NAME BUSINESS NAME 2012241 ONTARIO LIMITED BRAMPTON  
 04 ADDRESS 470 CHRYSLER DRIVE, UNIT 20  
 ONTARIO CORPORATION NO. 2012241  
 ON L6S 0C1

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.  
 07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY THE TORONTO-DOMINION BANK  
 09 LIEN CLAIMANT ADDRESS 20 MILVERTON DRIVE & HWY. #10 MISSISSAUGA ON L5R 3G2

10 COLLATERAL CLASSIFICATION  
 CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER MGTOR VEHICLE AMOUNT DATE OF NO FIXED  
 GOODS X X X X X X Maturity OR Maturity Date X

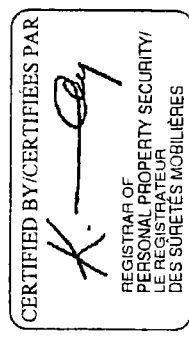
11 MOTOR YEAR MAKE MODS V.I.N.  
 12 VEHICLE

13 GENERAL  
 14 COLLATERAL  
 15 DESCRIPTION

16 REGISTRING ROSE, PERSIKO, RAKOWSKY, MELVIN LLP (RBM / 2080223)  
 17 AGENT ADDRESS 390 BAY STREET, SUITE 600 TORONTO ON M5H 2Y2

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED . . . 7



RUN NUMBER : 273  
RUN DATE : 2011/09/30  
ID : 20110930151640.19

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

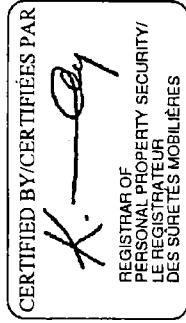
REPORT : PSSR060  
PAGE : 7  
( 2666)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 2012241 ONTARIO LIMITED  
FILE CURRENCY : 29SEP 2011

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
652974381	20090427 1002 1462 3058	20100426 1517 1793 4907	20110426 0813 1793 8652
648818028	20080926 1407 1462 1596		
647532792	20080807 0938 1862 6843		

5 REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.



# Tab H

THIS IS **EXHIBIT H** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 273  
RUN DATE : 2011/09/30  
ID : 20110930151651.11

REPORT : PSSR060  
PAGE : 1  
( 2640)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

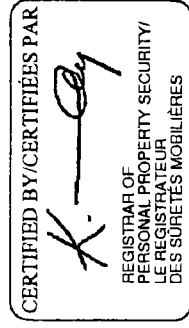
SEARCH CONDUCTED ON : 1611161 ONTARIO LIMITED

FILE CURRENCY : 29SEP 2011

ENQUIRY NUMBER 20110930151651.11 CONTAINS 3 PAGE(S), 1 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

AIRD & BERLIS LLP  
ATTN: SHANNON MORRIS  
HOLD FOR PICK UP  
TORONTO ON M5J2T9



CONTINUED... 2



RUN NUMBER : 273  
 RUN DATE : 2011/09/30  
 ID : 20110930151651.11

PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 2  
 ( 2641)

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : 1611161 ONTARIO LIMITED  
 FILE CURRENCY : 29SEP 2011

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00  
 FILE NUMBER  
 647532747

01  
 FILING NO. OF PAGES : 001  
 TOTAL REGISTRATION UNDER PERIOD : 001  
 MOTO VEHICL SCHEDULE NUMBER : 20080807 0936 1862 6842  
 REGISTERED UNDER PERIOD : P PPSA 5

02  
 DATE OF BIRTH : [REDACTED]  
 FIRST GIVEN NAME : [REDACTED]  
 SURNAME : [REDACTED]  
 BUSINESS NAME : 1611161 ONTARIO LIMITED  
 ADDRESS : 470 CHRYSLER DRIVE, UNIT 20  
 BRAMPTON

ONTARIO CORPORATION NO. 1611161  
 ON L6S 0C1

03  
 DATE OF BIRTH : [REDACTED]  
 FIRST GIVEN NAME : [REDACTED]  
 SURNAME : [REDACTED]  
 BUSINESS NAME : [REDACTED]  
 ADDRESS : [REDACTED]

ONTARIO CORPORATION NO. [REDACTED]

04  
 SECURED PARTY / LIEN CLAIMANT : THE TORONTO-DOMINION BANK  
 ADDRESS : 20 MILVERTON DRIVE & HWY. #10  
 MISSISSAUGA ON L5R 3G2

05  
 COLLATERAL CLASSIFICATION :  
 CONSUMER : X  
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED : X  
 MOTOR VEHICLE AMOUNT : X  
 DATE OF MATURITY OR : X  
 NO FIXED : X

06  
 YEAR MAKE : [REDACTED]  
 MODEL : [REDACTED]  
 V.I.N. : [REDACTED]

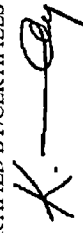
07  
 MOTOR VEHICLE : [REDACTED]

08  
 GENERAL COLLATERAL DESCRIPTION : [REDACTED]

09  
 REGISTERING AGENT : ROSE, PERSIKO, RAKOWSKY, MELVIN LLP (RBM / 2080223)  
 ADDRESS : 390 BAY STREET, SUITE 600  
 TORONTO ON M5H 2Y2

\*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY. \*\*\*

CONTINUED... 3

CERTIFIED BY / CERTIFIÉES PAR  
  
 REGISTRAR OF PERSONAL PROPERTY SECURITY / LE REGISTRATEUR DES SURETES MOBILIERES  
 (cplfr 11/2008)



163  
 Ontario

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

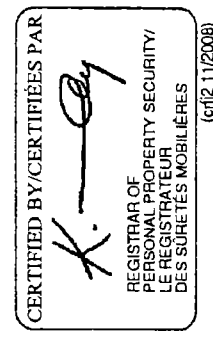
RUN NUMBER : 273  
RUN DATE : 2011/09/30  
ID : 20110930151651.11

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : 1611161 ONTARIO LIMITED  
FILE CURRENCY : 29SEP 2011

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
647532747	20080807 0936	1862	6842

1 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.





# Tab I

THIS IS EXHIBIT I REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS 10<sup>th</sup> DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

ACKNOWLEDGEMENT AND DIRECTION  
(TD Charge)

TO: ROSE, PERSIKO, RAKOWSKY, MELVIN LLP (Ronald B. Melvin)

RE: THE TORONTO-DOMINION BANK loan to 2012241 ONTARIO LIMITED, Part Lot 11, Concession 5 EHS, 50 Sunny Meadow Boulevard, Brampton, Ontario

**This will confirm that:**

- Each of the undersigned has reviewed the information set out in this Acknowledgment and Direction and in the draft forms of each document described below, a copy or copies of which is/are attached hereto (individually and collectively, the "Document"), and confirms that such information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver and/or register electronically each Document on behalf of each of the undersigned.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form of the Document Registration Agreement authorized or recommended from time to time by the Law Society of Upper Canada. Each of the undersigned acknowledges that such Document Registration Agreement has been reviewed by it or by its solicitors and that the undersigned shall be bound by the terms of such Document Registration Agreement;
- The effect of each Document has been fully explained to the each of the undersigned and it is understood that each of the undersigned is a party to and bound by the terms and provisions of each Document to the same extent as if it had signed the same; and
- Each of the undersigned is in fact a party named in each Document and has not misrepresented its identity to you.

**Description of the Documents** - The Document(s) described in this Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- a Transfer of the property(ies) described above.
- a Charge of the property described above.
- [a Notice of] a General Assignment of Rents [and Leases] in respect of the property(ies) described above.
- a Discharge of Charge in respect of the property(ies) described above.
- [a Notice of] an Agreement in respect of or relating to the property(ies) described above.
- [OTHER]

Dated at Toronto, this 10 day of <sup>Sept</sup> August, 2008.

2012241 ONTARIO LIMITED

Per:   
Jagdev Dhaliwal, President

Per:   
Ravinder Singh Chahal, Secretary

We have authority to bind the Corporation.

This document has not been submitted and may be incomplete.

**Properties**

*PIN* 14223 - 0956 LT *Interest/Estate* Fee Simple

*Description* PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902. BRAMPTON. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.

*Address* 50 SUNNY MEADOW BOULEVARD  
BRAMPTON

**Chargor(s)**

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

*Name* 2012241 ONTARIO LIMITED  
Acting as a company

*Address for Service* 470 Chrysler Drive, Unit 20  
Brampton, Ontario  
L6S 0C1

I, JAGDEV DHALIWAL, President, and RAVINDER SINGH CHAHAL, Secretary, have the authority to bind the corporation.

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

<b>Chargee(s)</b>	<b>Capacity</b>	<b>Share</b>
-------------------	-----------------	--------------

<i>Name</i>	THE TORONTO-DOMINION BANK Acting as a company	
<i>Address for Service</i>	TD Commercial Banking Mississauga Real Estate Group 20 Milverton Drive, 2nd Floor MISSISSAUGA, Ontario L5R 3G2	

**Statements**

Schedule: Restriction on Further Financing - The Chargor covenants and agrees not to enter into any further financing of the Property and not to further mortgage, charge or otherwise encumber the Property in any manner without the prior written consent of the Chargee.

**Provisions**

*Principal* \$ 12,500,000.00 *Currency* CDN

*Calculation Period* SEE SCHEDULE 1

*Balance Due Date* ON DEMAND

*Interest Rate* SEE SCHEDULE 1

*Payments*

*Interest Adjustment Date*

*Payment Date* SEE SCHEDULE 1

*First Payment Date*

*Last Payment Date*

*Standard Charge Terms* 8520

*Insurance Amount* See standard charge terms

*Guarantor*

**File Number**

Chargor Client File Number : 2080223 - TD MORTGAGE (CHAHAL)



# Schedule 1

168

S

Form 5 - Land Registration Reform Act, 1984

**Additional Property Identifier(s) and/or Other Information**

This is a Schedule to a Charge made between 2012241 ONTARIO LIMITED  
and THE TORONTO-DOMINION BANK.

Box (9)(b) The Chargor hereby agrees to pay interest on the Principal Amount at the following Interest Rate:

- the Bank's Prime Rate plus 6.00 % per annum. "Prime Rate" means the rate of interest per annum established and reported by the Bank to the Bank of Canada from time to time as a reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of credit worthiness in Canada for Canadian dollar loans made by it in Canada.

Box (9)(c) Interest at the Interest Rate aforesaid is calculated and payable monthly, not in advance, before and after demand, default and judgment. Interest is payable on overdue interest and on Indebtedness payable under this Charge at the aforesaid Interest Rate. Any payment appropriated as a permanent reduction of this Charge shall be first applied against interest accrued hereunder.

FOR OFFICE  
USE ONLY



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

**Properties**

*PIN* 14223 - 0956 LT *Interest/Estate* Fee Simple  
*Description* PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902. BRAMPTON. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.  
*Address* 50 SUNNY MEADOW BOULEVARD  
 BRAMPTON



**Chargor(s)**

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

*Name* 2012241 ONTARIO LIMITED  
*Address for Service* 470 Chrysler Drive, Unit 20  
 Brampton, Ontario  
 L6S 0C1

I, JAGDEV DHALIWAL, President, and RAVINDER SINGH CHAHAL, Secretary, have the authority to bind the corporation.

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

**Chargee(s)**

*Capacity*

*Share*

*Name* THE TORONTO-DOMINION BANK  
*Address for Service* TD Commercial Banking  
 Mississauga Real Estate Group  
 20 Milverton Drive, 2nd Floor  
 MISSISSAUGA, Ontario  
 L5R 3G2

**Statements**

Schedule: Restriction on Further Financing - The Chargor covenants and agrees not to enter into any further financing of the Property and not to further mortgage, charge or otherwise encumber the Property in any manner without the prior written consent of the Chargee.

**Provisions**

*Principal* \$ 12,500,000.00 *Currency* CDN  
*Calculation Period* SEE SCHEDULE 1  
*Balance Due Date* ON DEMAND  
*Interest Rate* SEE SCHEDULE 1  
*Payments*  
*Interest Adjustment Date*  
*Payment Date* SEE SCHEDULE 1  
*First Payment Date*  
*Last Payment Date*  
*Standard Charge Terms* 8520  
*Insurance Amount* See standard charge terms  
*Guarantor*

**Additional Provisions**

See Schedules

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

**Signed By**

Helena Clara	600-390 Bay Street Toronto M5H 2Y2	acting for Chargor(s)	Signed 2008 10 20
Tel 416-868-1900			
Fax 4168681708			

**Submitted By**

ROSE, PERSIKO, RAKOWSKY, MELVIN LLP	600-390 Bay Street Toronto M5H 2Y2	2008 10 20
Tel 416-868-1900		
Fax 4168681708		

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

**File Number**

Chargor Client File Number : 2080223 - TD MORTGAGE (CHAHAL)





# Schedule 1

Form 5 - Land Registration Reform Act, 1984

S

**Additional Property Identifier(s) and/or Other Information**

This is a Schedule to a Charge made between 2012241 ONTARIO LIMITED  
and THE TORONTO-DOMINION BANK.

**Box (9)(h)** The Chargor hereby agrees to pay interest on the Principal Amount at the following Interest Rate:

- the Bank's Prime Rate plus 6.00 % per annum. "Prime Rate" means the rate of interest per annum established and reported by the Bank to the Bank of Canada from time to time as a reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of credit worthiness in Canada for Canadian dollar loans made by it in Canada.

**Box (9)(c)** Interest at the Interest Rate aforesaid is calculated and payable monthly, not in advance, before and after demand, default and judgment. Interest is payable on overdue interest and on Indebtedness payable under this Charge at the aforesaid Interest Rate. Any payment appropriated as a permanent reduction of this Charge shall be first applied against interest accrued hereunder.

FOR OFFICE  
USE ONLY



This set of **STANDARD CHARGE TERMS** shall be deemed to be included in every Charge in which the set is referred to by its filing number, as provided in section 9 of the above Act.

**1. Definitions**

In this set of Standard Charge Terms:

- (a) **Bank** means The Toronto-Dominion Bank.
- (b) **Charge** means this Charge/Mortgage of Land made pursuant to the Land Registration Reform Act, 1984 and any amendments thereto, to which the Chargor and the Chargee are parties and which is dated as of the Date of Signature of the first named Chargor who signs the Charge.
- (c) **Chargee** means the Bank.
- (d) **Chargor** means each Chargor described in this Charge.
- (e) **Costs** means the fees, costs, charges and expenses of the Bank of and incidental to:
  - (i) the preparation, execution and registration of the Charge and any other instruments connected herewith;
  - (ii) the collection, enforcement, realization of the security herein contained;
  - (iii) procuring payment of the Indebtedness due and payable hereunder, including foreclosure, power of sale or execution proceedings commenced by the Bank or any other party;
  - (iv) any inspection required to be made of the Property;
  - (v) all necessary repairs required to be made to the Property;
  - (vi) the Bank's having to go into possession of the Property and secure, complete and equip the building or buildings in any way in connection therewith;
  - (vii) the Bank's renewal of any leasehold interest;
  - (viii) the exercise of any of the powers of a receiver contained herein; and
  - (ix) all solicitor's costs, costs and expenses of any necessary examination of the title to and of valuation of the Property.
 Costs shall:
  - (i) extend to and include legal costs incurred by the Bank as between solicitor and his own client;
  - (ii) be payable forthwith by the Chargor; and
  - (iii) be a charge on the Property.
- (f) **Fixtures** include, but are not limited to, furnaces, boilers, oil burners, stokers, water heaters, electric light fixtures, screen and storm doors and windows, air conditioning, plumbing, cooling and heating equipment and all apparatus and equipment appurtenant to the Property.
- (g) **Indebtedness** means all monies and liabilities matured or not, whether present or future, direct or indirect, absolute or contingent, now or at any time hereafter owing or incurred, wheresoever or howsoever incurred from or by the Chargor, as principal or surety, whether alone or jointly with any other person and in whatever name style or firm, whether otherwise secured or not and whether arising from dealings between the Bank and the Chargor or from other dealings or proceedings by which the Bank may become a creditor of the Chargor including, without limitation, advances upon overdrawn accounts or upon bills of exchange, promissory notes or other obligations discounted for the Chargor or otherwise, all bills of exchange, promissory notes and other obligations negotiable or otherwise representing money and liabilities, or any portion thereof, now or hereafter owing or incurred from or by the Chargor and all interest, damages and Costs, and all premiums of insurance upon the buildings, Fixtures and improvements now or hereafter brought or erected upon the said Property which may be paid by the Bank and Taxes.
- (h) **Interest Rate** means the Interest Rate set out in Schedule 1 to this Charge.
- (i) **Principal Amount** means the Principal Amount in lawful money of Canada set out in this Charge.
- (j) **Property** means the property identified in this Charge by the Property Identifier(s) and described in the Description therein and in a Schedule to this Charge, if required, and includes all buildings, Fixtures and improvements now or hereafter brought or erected thereon.

- (k) **Spouse of Chargor** means each Spouse of Chargor described in this Charge.
- (l) **Taxes** means all taxes, rates and assessments, municipal, local, parliamentary or otherwise.

If the Property is a condominium unit, the following definitions apply:

- (m) **Condominium Corporation** means the Condominium Corporation which was created by the registration of the Declaration and the description relating thereto of which the Property hereby charged constitutes a part.
- (n) **Common Expenses** means the expenses of the performance of the objects and duties of the Condominium Corporation and any expenses specified as common expenses in the Condominium Act (Ontario), as amended from time to time or in the Declaration.
- (o) **Declaration** means the Declaration which, together with a description, was registered pursuant to the Condominium Act, to create the Condominium Corporation.

## 2. Charge of Property

The Chargor has, at the request of the Bank, agreed to give this Charge as a CONTINUING COLLATERAL SECURITY for payment to the Bank ON DEMAND of the Indebtedness, provided that such security be limited to the Principal Amount plus Costs with interest thereon at the Interest Rate. Interest at the Interest Rate is calculated and payable monthly, not in advance, before and after demand, default and judgment, with interest on overdue interest and on all other amounts charged to the Chargor hereunder at the Interest Rate. The Chargor,

- (a) if the Property is a freehold property, hereby charges the Property to the Bank; or
- (b) if the Property is a leasehold interest, hereby charges and subleases the Property to the Bank for and during the unexpired residue of the term of the lease, except the last day thereof, and all other estate, term, right of renewal and other interest of the Chargor in the lease;

to secure the repayment of the Indebtedness and the performance of all of the obligations of the Chargor contained herein. The Chargor hereby releases to the Bank all its claims upon the Property until the Chargor has repaid the Indebtedness and performed all of the obligations of the Chargor in the manner provided by this Charge.

## 3. Covenants of the Chargor

The Chargor hereby covenants with the Bank that:

- (a) The Chargor will ON DEMAND pay the Indebtedness and observe all provisos, conditions and agreements contained herein;
- (b) The Chargor has a good title in fee simple to the Property (unless the Chargor is a lessee of the Property), save and except prior registered encumbrances;
- (c) The Chargor has the right to charge the Property to the Bank;
- (d) On default, the Bank shall have quiet possession of the Property, free from all encumbrances, save as aforesaid;
- (e) Covenant 1.vii, deemed to be included in this Charge by subsection 7(1) of the Land Registration Reform Act, 1984 is hereby expressly varied by providing that the Chargor will, before or after default, execute such further assurances of the Property and do such other acts, at the Chargor's expense, as may be reasonably required;
- (f) The Chargor will insure the Property to an amount of not less than the Principal Amount PROVIDED that if and whenever such amount be greater than the insurable value of the buildings, fixtures and improvements now or hereafter brought or erected upon the Property, such insurance shall not be required in any greater amount than such insurable value and if and whenever the same shall be less than the insurable value the Bank may require such insurance to the full replacement value. It is further agreed that the Bank may require any insurance hereunder to be cancelled and new insurance effected by an insurer to be approved by it and also may of its own accord effect or maintain any insurance herein provided for and any amount paid by the Bank therefor shall be payable forthwith to the Bank with interest at the Interest Rate by the Chargor and shall be a charge upon the Property;
- (g) The Chargor will in each year within ten (10) days after the Taxes become due and payable produce to and leave with the Bank the duly receipted tax bills for that year covering the Property;
- (h) This Charge shall be void UPON REPAYMENT of the Indebtedness upon demand; or without demand, UPON PERMANENT REPAYMENT of the Indebtedness, with written notice to such effect to the Bank. The Chargor releases to the Bank all the Chargor's claims upon the Property subject to this paragraph; and
- (i) The Chargor agrees to assign to the Bank forthwith upon the request of the Bank as additional security for payment of the Indebtedness and the performance of the covenants herein contained, any present or future lease which may be granted by the Chargor as to the whole or any portion of the Property and agrees to deliver to the Bank executed copies of all such leases at the written request of the Bank. The Chargor covenants to perform and comply with all lessor's covenants contained in any leases assigned by the Chargor to the Bank. Notwithstanding the assignment or assignments of any lease or leases by the Chargor to the Bank, it is nevertheless declared and agreed that none of the rights or remedies of the Bank under this Charge shall be delayed or in any way hindered or prejudiced by such assignment or assignments or by any act of the Bank pursuant thereto.

#### 4. Additional Covenants if Property is a Leasehold Interest

The Chargor covenants with the Bank that:

- (a) The Chargor has a good leasehold title to the Property;
- (b) The Chargor has a right to charge and sublet the leasehold title to the Property to the Bank in the manner herein provided, and, if required, has obtained the lessor's consent to this Charge;
- (c) Neither the Chargor nor any other person has heretofore made, done, committed or suffered any act to encumber the lease or any part thereof;
- (d) The lease is a good, valid and subsisting lease and not surrendered, forfeited, amended or become void or voidable and the rents and covenants reserved have been duly paid and performed by the Chargor up to the Date of Signature of the Chargor;
- (e) During the continuance of this Charge, the Chargor will not amend, surrender or modify the lease without the written consent of the Bank and will pay the rent reserved by the lease and perform and observe the covenants, provisos and conditions contained in the lease and on the lessee's part to be performed and observed and hereby agrees to keep the Bank indemnified against all actions, claims and demands whatsoever in respect of the said rent and covenants or anything relating thereto; and
- (f) The Chargor will stand possessed of the Property for the last day of the term or any renewal term granted by the lease in trust for the Bank, and will assign and dispose thereof as the Bank may direct, but subject to the same right of redemption and other rights as are hereby given to the Chargor with respect to the derivative term hereby granted.

#### 5. Repair and Maintenance of Property

The Chargor covenants with the Bank that the Chargor will keep the Property in good condition and repair. The Bank may, whenever it deems it necessary, by its agent enter upon and inspect the Property and the Chargor shall pay the Costs associated therewith. If the Chargor or anyone claiming under him neglects to keep the Property in good condition and repair or commits any act of waste on the Property or does anything by which the value of the Property shall be diminished, as to all of which the Bank shall be sole judge, or makes default as to any of the covenants or provisos herein contained, the Indebtedness shall, at the option of the Bank, forthwith become due and payable. In default of payment thereof the powers of entering upon and leasing or selling hereby given may be exercised forthwith, and the Bank may make such repairs as it deems necessary and the Costs thereof shall be paid by the Chargor.

#### 6. Obligation to Build Diligently

The Chargor covenants with the Bank that if the Chargor fails at any time for a period of ten days to diligently carry on the work of construction of any building or buildings being or to be erected on the Property or, without the consent in writing of the Bank, departs in such construction from any plans and specifications thereof which must be approved by the Bank or from the generally accepted standards of construction in the locality of the Property, or permits any construction or other lien to be registered against the Property for any period exceeding thirty days, the Bank at its option at any time thereafter through its agents or contractors may enter the Property and have exclusive possession thereof and of all materials, plant, gear and equipment thereon free of interference from or by the Chargor and complete the construction of the building or buildings either according to the said plans and specifications or according to other plans, specifications or design as the Bank in its absolute discretion shall elect. All Costs in connection therewith shall be payable by the Chargor.

#### 7. Remedies on Default of Chargor

It is hereby provided that:

##### (a) Power to Lease or Sell Property

The Bank on default of payment of the Indebtedness or any portion thereof for the minimum default period on giving the minimum notice, according to applicable law, may enter on, lease or sell the Property. Provided further that on default of payment for the minimum default period, according to applicable law, the foregoing power of entry, leasing and selling may be exercised by the Bank without any notice whatsoever.

##### (b) Rights of Bank in Sale of Property

- (i) The Bank in the event of default by the Chargor in payment of the Indebtedness or any portion thereof may sell the Property or any part thereof or, if the Property is a leasehold interest, sell the unexpired term of years demised by the lease or any part thereof by public auction or private sale for such price as can reasonably be obtained therefor and on such terms as to credit and otherwise and with such conditions of sale as it shall in its discretion deem proper, and in the event of any sale on credit or for cash or for part cash and part credit, the Bank shall not be accountable for or be charged with any monies until actually received by it. The Bank may rescind or vary any contract or sale and may buy in and re-sell the Property or any part thereof without being answerable for loss occasioned thereby; and no purchaser shall be bound to enquire into the legality, regularity or propriety of any sale or be affected by notice of any irregularity or impropriety; and no lack of default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale hereunder, but the Bank alone shall be responsible. The Bank may sell without entering into actual possession of the Property and while in possession shall be accountable only for monies which are actually received by it and sales may be made by it from time to time of parts of the Property to satisfy any portion of the Indebtedness, leaving the residue thereof secured hereunder on the remainder of the Property, or may take proceedings to sell and may sell the Property or any portion of the Property subject to the balance of the Indebtedness not yet due at the time of the said sale.

- (ii) Disposition of Leasehold Property - If the Property is a leasehold interest, the Chargor hereby irrevocably appoints the Bank as the Chargor's substitute to be the Chargor's attorney during the continuance of this security. In the event of default and on giving the notice contemplated herein to the Chargor for and on behalf of the Chargor, the Bank may assign the lease and convey the Property and the last day of the term granted by the lease as the Bank shall at any time direct, and in particular, upon any sale made by the Bank under the statutory power or power of sale herein contained, to assign the lease and convey the Property and the said reversion to the purchaser. It is hereby declared that the Bank or other person for the time being entitled to the Indebtedness may at any time, by deed, remove the Chargor or any other person from being a trustee of the lease under the declaration of trust hereinbefore declared and on the removal of the Chargor or any future trustee of the lease, appoint a new trustee or trustees in the Chargor's place.
- (iii) If the Property is a leasehold interest, the Chargor will, with respect to the lease, at the request of the Bank, but at the cost, charge and expense of the Chargor, grant and assign unto the Bank, or the person whom it may appoint, the last day of the said term hereinbefore excepted or any renewal or substituted term; and further, in the event of the Bank making any sale under the power of sale herein contained the Chargor shall stand seized and possessed of the Property for the last day of the said term hereinbefore excepted, and of any renewal or substituted term, and of all rights of renewal in trust for the purchaser or purchasers, his or their heirs, executors, administrators, successors and assigns.

(c) **Costs of Sale of Property**

The Costs of any sale proceedings hereunder, whether such sale proves abortive or not, incurred in taking, recovering or keeping possession of the Property or in enforcing the personal remedies under this Charge or by reason of non-payment or in procuring payment of the Indebtedness shall be payable by the Chargor whether any action or proceeding has commenced or not.

**8. Appointment of Receiver**

If the Chargor shall be in default in the observance or performance of any of the terms, conditions, covenants or payments described herein or in any additional or collateral security given by the Chargor to the Bank then the Bank may in writing, appoint any person, whether an officer or employee of the Bank or not, to be a receiver of the Property and the rents and profits derived therefrom, and may remove the receiver so appointed and appoint another in his stead. The term "receiver" as used in this Charge includes a receiver and manager. The following provisions shall apply to this paragraph:

- (a) The receiver so appointed is conclusively the agent of the Chargor and the Chargor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the receiver. The Bank shall not be responsible in any way for any misconduct or negligence on the part of the receiver and may, from time to time, fix the remuneration of the receiver and be at liberty to direct the payment thereof from proceeds collected;
- (b) Nothing contained herein and nothing done by the Bank or by the receiver shall render the Bank a mortgagee in possession or responsible as such;
- (c) All monies received by the receiver, after providing for payment and charges ranking prior to this Charge and for all applicable Costs shall be applied in or towards satisfaction of the remaining Indebtedness;
- (d) The receiver so appointed shall have power to:
  - (i) take possession of the Property, collect rents and profits and realize upon additional or collateral security granted by the Chargor to the Bank and for that purpose may take any proceedings, be they legal or otherwise, in the name of the Chargor or otherwise;
  - (ii) carry on or concur in carrying on the business which the Chargor is conducting on and from the Property and for that purpose may borrow money on the security of the Property in priority to this Charge; and
  - (iii) lease all or any portion of the Property and for this purpose execute contracts in the name of the Chargor which said contracts shall be binding upon the Chargor;
- (e) The rights and powers conferred herein are supplemental to and not in substitution for any rights which the Bank may have from time to time.

**9. Taking Possession of Personal Property**

The Bank may distrain for arrears of any portion of the Indebtedness. The Chargor hereby waives the right to claim exemption and agrees that the Bank shall not be limited to the amount for which it may distrain.

**10. Quiet Possession**

Until default of payment the Chargor shall have quiet possession of the Property.

**11. Release of Property by Bank**

It is hereby agreed by the Chargor that the Bank may at its discretion at all times release any part or parts of the Property or any other security or any surety for the Indebtedness or any portion thereof either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing any other part of the Property or any person from this Charge or from any of the covenants herein contained and without being accountable to the Chargor for the value thereof or for any money except that actually received by the Bank, it being expressly agreed that every part or lot into which the Property is or may hereafter be divided does and shall stand charged with the whole of the Indebtedness.

No extension of time given by the Bank to the Chargor, or any one claiming under the Chargor or any other dealing by the Bank with the owner or owners of the Property or of any part thereof shall in any way affect or prejudice the rights of the Bank against the Chargor or any other person liable for the payment of the Indebtedness or any portion thereof.

**12. Payment of Other Charges and Performance of Other Obligations by Bank**

The Chargor hereby agrees that:

- (a) The Bank may satisfy any charge now or hereafter existing or to arise or be claimed upon the Property and the amount so paid shall be added to the Indebtedness and bear interest at the Interest Rate and shall be payable forthwith by the Chargor to the Bank and in default of payment, the Indebtedness shall become payable and the powers of sale hereby given may be exercised forthwith without any notice. And in the event of the Bank satisfying any such charge or claim, it shall be entitled to all equities and securities of the person or persons so satisfied and it may retain any discharge or cessation of charge unregistered until paid; and
- (b) If the Property is a leasehold interest, and if the Chargor shall refuse or neglect to renew the lease or any renewals thereof granted hereafter, then, and as often as it shall happen, the Bank may, effect such renewals in its own name or otherwise, and every renewal of the lease and the Property thereby demised shall remain and be security to the Bank for the Indebtedness. All Costs in connection therewith shall be payable by the Chargor.

**13. Sale or Transfer of Property by Chargor**

The Chargor covenants and agrees with the Bank that:

- (a) The Chargor will not without the prior consent in writing of the Bank, sell, transfer or otherwise dispose of the Property or any portion thereof or any interest therein; and, in the event of such sale, transfer or other disposition, without the consent of the Bank, the Indebtedness hereby secured shall, at the option of the Bank, forthwith become due and payable; and
- (b) If the Property is a leasehold interest, no sale or other dealing by the Chargor with the lease or the Property or any part thereof or any other dealing by the Bank with the lease or the Property or any part thereof, shall in any way affect or prejudice the rights of the Bank against the Chargor or any other person liable to repay the Indebtedness hereby secured.

**14. Charge Not a Substitute For Any Other Security**

It is hereby expressly agreed by the Chargor that this Charge shall not create any merger, rebate or discharge of any debt owing to the Bank or of any lien, bond, promissory note, bill of exchange or other security held by or which may hereafter be held by the Bank, whether from the Chargor or any other party or parties whomsoever and this Charge shall not in any way affect any security held or which may hereafter be held by the Bank for the Indebtedness or any portion or portions thereof or the liability of any endorser or any other person or persons upon any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by the Bank for or on account of the Indebtedness or any portion or portions thereof nor shall the remedies of the Bank in respect thereof be affected in any manner whatsoever.

**15. Judgments**

The taking of a judgment or judgments against the Chargor on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Bank's rights to interest on the Indebtedness at the Interest Rate, and further that any such judgment may provide that interest thereon shall be computed at the Interest Rate until such judgment shall have been fully paid and satisfied.

**16. Bank May Appropriate Payments to Any Debt**

It is hereby agreed that the Bank shall have the right at any time to appropriate any payment made as a temporary or permanent reduction of any portion of the Indebtedness whether the same be represented by open account, overdraft or by any bills, notes or other instruments and whether then due or to become due and may from time to time revoke or alter such appropriation and appropriate such payment as a temporary or permanent reduction of any other portion of the Indebtedness as in its sole and uncontrolled discretion it may see fit.

**17. Charge Continuing Security**

It is hereby agreed that this Charge may secure a current or running account and shall stand as a continuing security to the Bank for the payment of the Indebtedness and all interest, damages and Costs which may become due or payable to the Bank notwithstanding any fluctuation or change in the amount, nature or form of the Indebtedness or in the bills, notes or other obligations now or hereafter representing the same or any portion thereof or in the names of the parties to the said bills, notes or obligations or any of them.

**18. Additional Covenants if Property is a Condominium Unit**

The Chargor covenants with the Bank that:

- (a) The Chargor will promptly observe and perform all obligations imposed on the Chargor by the Condominium Act as enacted from time to time, and by the Declaration, the By-laws and the Rules, as amended from time to time, of the Condominium Corporation, by virtue of the Chargor's ownership of the Property. Any breach of the said duties and obligations shall constitute a breach of covenant under this Charge;
- (b) Without in any way limiting or restricting the generality of the foregoing:
  - (i) The Chargor will pay promptly when due any contributions to Common Expenses required of the Chargor as an owner of the Property;
  - (ii) The Chargor will transmit to the Bank forthwith upon the demand of the Bank satisfactory proof that all Common Expenses assessed against or in respect of the said Property have been paid as assessed;
  - (iii) The Bank may put out of and deduct from any advance of the Principal Amount secured hereunder all contributions to the Common Expenses assessed against or in respect of the said Property which have become due and payable and are unpaid at the date of such advance; and
  - (iv) Whenever and so long as the Bank so requires the Chargor shall on or before the date when any sum becomes payable by the Chargor in respect of Common Expenses pay such sum to the Bank. The Bank shall forthwith on receipt thereof remit all such sums to the Condominium Corporation on behalf of the Chargor or as the Condominium Corporation may from time to time direct;
- (c) The Bank by accepting delivery of and registering this Charge authorizes and empowers the Chargor to vote or consent or not to consent respecting all matters relating to the affairs of the relevant Condominium Corporation provided that:
  - (i) The Bank may at any time upon written notice to the Chargor and the Condominium Corporation revoke this authorization;
  - (ii) The Bank shall not be under any obligation to vote or consent or not to consent as aforesaid to protect the interest of the Chargor; and
  - (iii) The exercise by the Bank of its right to vote or consent or not to consent as aforesaid shall not constitute the Bank a mortgagee in possession.

**19. Assignment of Rents**

The Chargor hereby agrees with the Bank as follows:

- (a) The Chargor hereby assigns and sets over to the Bank all rents payable from time to time under all leases of the Property or any part thereof, whether presently existing or arising in the future, together with the benefit of all covenants, agreements and provisos contained in the said leases, in favour of the Bank;
- (b) Forthwith after making any lease of the Property or any part thereof the Chargor will execute and deliver to the Bank an assignment in registrable form in the Bank's usual form of all rents payable under such lease, the benefit of all covenants, agreements and provisos therein contained on the part of the tenant to be observed and performed and the reversion of such lease, and will also execute and deliver to the Bank all such notices and other documents as may be required in order to render such assignment effectual in law;
- (c) Nothing herein contained shall make the Bank responsible for the collection of rents payable under any lease of the Property or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease;
- (d) The Bank shall not by virtue of these presents be deemed a mortgagee in possession of the Property;
- (e) The Bank shall be liable to account for only such rents as actually come into its hands less reasonable collection charges in respect thereof and may apply such rents to the repayment of the Indebtedness; and
- (f) Notwithstanding anything herein contained no lease of the Property or any part thereof made by the Chargor without the consent in writing of the Bank shall have priority over this Charge.

**20. Interpretation and Headings**

It is hereby agreed that wherever in this Charge the word "Chargor" is used the same shall extend to and include the heirs, executors, administrators, successors and assigns of the Chargor, and wherever in this Charge the word "Bank" is used the same shall extend to and include the successors and assigns of the Bank and wherever the singular or masculine is used the same shall be construed as meaning the plural or the feminine or the neuter where the context or the parties hereto so require. The headings do not form part of this document and have been inserted for convenience of reference only.

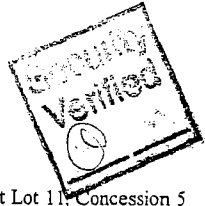
**21. Condominium Act**

If the Property is a condominium unit, this Charge is made pursuant to the Condominium Act.





ACKNOWLEDGEMENT OF STANDARD CHARGE TERMS



TO: THE TORONTO-DOMINION BANK (the "Lender")

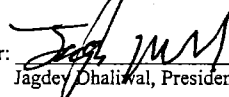
AND TO: ROSE, PERSIKO, RAKOWSKY, MELVIN LLP, its solicitors herein

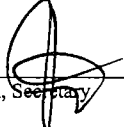
RE: THE TORONTO-DOMINION BANK loan to 2012241 ONTARIO LIMITED, Part Lot 11, Concession 5 EHS, 50 Sunny Meadow Boulevard, Brampton, Ontario

IN CONSIDERATION OF the closing of the above-noted loan transaction and making the initial advance of funds thereunder, each of the undersigned acknowledges receipt of the attached copy of Standard Charge Terms No. 8520 and agrees to be bound by the provisions of such Standard Charge Terms.

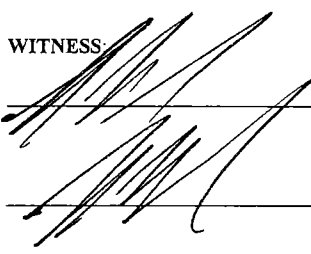
DATED this 10 day of <sup>September</sup> August, 2008.

2012241 ONTARIO LIMITED

Per:   
 Jagdev Dhaliwal, President

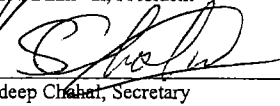
Per:   
 Ravinder Singh Chahal, Secretary

I have authority to bind the Corporation.


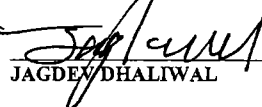
WITNESS: 

1611161 ONTARIO LIMITED

Per:   
 Jagdev Dhaliwal, President

Per:   
 Sandeep Chahal, Secretary

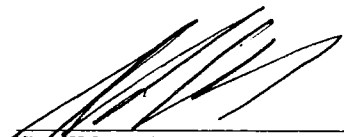
I have authority to bind the Corporation.

  
 RAVINDER SINGH CHahal  
  
 JAGDEV DHALI WAL

SOLICITOR'S CERTIFICATION

I am the solicitor acting on behalf of the mortgagor and guarantors in the above-noted transaction and confirm that, (i) each mortgagor and guarantor has been provided with a true copy of each Charge/Mortgage given in connection with the above transaction and the Standard Charge Terms referred to above and (i) I have verified the proper identification of each of the parties executing each Charge/Mortgage and other loan documents, each of whom who is personally known to me and each such person is who he or she purports to be.

DATED this 10 day of <sup>September</sup> August, 2008.

  
 HARJINDER CHahal  
 Barrister & Solicitor

# Tab J

THIS IS **EXHIBIT J** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS *10<sup>th</sup>* DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

**Properties**

*PIN* 14223 - 0956 LT *Interest/Estate* Fee Simple  
*Description* PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902.  
 BRAMPTON, S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC  
 COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF  
 LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.  
*Address* BRAMPTON

**Chargor(s)**

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

*Name* 2012241 ONTARIO LIMITED  
*Address for Service* 7050 Bramalea Road, Unit 11  
 Mississauga, Ontario L5S 1T1

I, JAGDEV DHALIWAL, President, have the authority to bind the corporation.

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

**Chargee(s)***Capacity**Share*

*Name* 1448037 ONTARIO LIMITED  
*Address for Service* 7050 Bramalea Road, Unit 11  
 Mississauga, Ontario L5S 1T1

**Statements**

Schedule: See Schedules

**Provisions**

<i>Principal</i>	\$400,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	half-yearly not in advance		
<i>Balance Due Date</i>	2008/07/01		
<i>Interest Rate</i>	14.0%		
<i>Payments</i>	\$4,666.67		
<i>Interest Adjustment Date</i>	2008 03 01		
<i>Payment Date</i>	first day of each month		
<i>First Payment Date</i>	2008 04 01		
<i>Last Payment Date</i>	2008 07 01		
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>	Jagdev Dhaliwal		

**Signed By**

Ronald Edward Folkes 1-14 Nelson St. West acting for Chargor Signed 2008 02 21  
 Brampton (s)  
 L6X 1B7

Tel 9054572118

Fax 9054573707

**Submitted By**

FOLKES LEGAL PROFESSIONAL CORPORATION 1-14 Nelson St. West 2008 02 21  
 Brampton  
 L6X 1B7

Tel 9054572118

Fax 9054573707

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

SCHEDULE  
ADDITIONAL PROVISIONS/CLAUSES

PROVIDED that it is a condition of the advance of funds under this Mortgage that the Mortgagor(s) (hereinafter referred to as (Mortgagor(s) ( or (Borrower(s) ( provided 12 post-dated cheques for all regular payments falling due hereunder. Failure to provide post-dated cheques will result in default and Mortgagee (hereinafter referred to as (Mortgagee( or (Lender() will be entitled to commence default proceedings.

N.S.F. FEE

PROVIDED the Mortgagee shall be entitled to an administrative fee of \$ 100.00 in the event any payment hereunder shall be returned unpaid by the Mortgagor(s bank for any reason or payments not received on payments due date(s)

TAX RECEIPTS

PROVIDED paid tax receipts are to be provided to the Mortgagee on a half yearly basis. The Mortgagee shall have option, to be exercised in its sole discretion, to pay the property taxes directly and have the Mortgagor reimburse the amount of such payment forthwith after payment by the Mortgagee.

NON-TRANSFERABLE/NON-ASSUMABLE

PROVIDED that in the event of the transfer, sale or other change of ownership of the property secured by this charge/mortgage, the charge/mortgage becomes due and payable forthwith.

MORTGAGE STATEMENTS

PROVIDED that in the event of the Mortgagee is required to provide a mortgage Statement, there shall be an administrative fee of \$250.00 for each such statement.

DISCHARGE

THE LENDER shall be entitled to prepare or have its solicitor prepare a discharge or assignment of Mortgage and any other documents necessary to release or assign any security held by the Lender, and shall have a reasonable time after payment of the mortgage debt in full to prepare, execute and deliver such documents. A discharge fee in amount of \$250.00, in addition to all other fees in connection with the preparation , review, execution and delivery of such documents shall be paid by the Borrower(s) to the Lender

ADMINISTRATION FEE

PROVIDED that in the event of non-payment of the foregoing administrative fees, the amount due shall be added to the principal balance outstanding and shall earn interest pursuant to the provisions herein set out.

PREPAYMENT PRIVILEGE

PROVIDED that the Mortgagor(s) are not in default hereunder, prepayment may be made on any principal sum or sums, on any payment date, upon paying two (2) months interest penalty.

PRE PAYMENT PENALTY ON DEFAULT

THE Mortgagor(s) agrees that should the Mortgagee commence action due to default under the Mortgage, that the Mortgagee at its option shall be entitled to charge an additional fee equivalent to three month(s interest and transfer the property on the Mortgagee(s name or whoever the Mortgagee chooses to without any further notice the Mortgagor(s).

INSURANCE

In event that the Lender deems it necessary to arrange for insurance to be placed for the subject property, any amount paid by the Lender therefor shall be part of the indebtedness secured by the Mortgage bearing interest at the rate set out in the Mortgage. The Borrower(s) shall also pay to the Lender a fee in the amount of \$100.00 on each occasion on which the Lender arranges the placement of insurance. The Borrower(s) shall provide proof of insurance to the Lender at the Lender(s request.

FURTHER ENCUMBRANCES

THE Mortgagor(s) shall not grant or permit any further mortgages, charges, or

encumbrances of any nature to be registered against the property without the prior consent in writing of Mortgagee and in the event of breach of this covenant the Mortgagee shall be entitled to commence default proceedings.

#### INSPECTION

THE Lender may, in the default by the Borrower(s) of any obligation under the Mortgage, or whenever the Lender deems it necessary, itself or by its agent enter upon the subject property and limit an inspection fee of \$200.00 each time shall be forthwith payable by the Borrower(s) to the Lender.

#### ADDITIONAL INTEREST

PROVIDED that for the purpose of the calculation of the interest, any payment of principal received after 1.00 P.M. shall be deemed to have received on the next following banking day.

#### NON-TENANCY

THE Mortgagor covenants not to enter into tenancy agreement prior to registration hereof and agree with respect to any tenancy agreement entered into prior to discharge of this mortgage to incorporate an acknowledgement of priority by the lessee of the terms and provisions of this mortgage, including without limitation to generality an acknowledgement by the lessee thereunder that the Mortgagee(s) right to possession will not be bound by, or subject to, the residential tenancy provisions of the Landlord and Tenant Act.

#### ADMINISTRATION FEE ON DEFAULT

IF the Lender takes any action pursuant to the Mortgage by reason of the Borrower(s) default the Lender shall be entitled to add to the mortgage debt a service and administration fee of \$ 500.00 in addition to all other fees, claims or demand to which the Lender is also entitled.

#### RENOVATIONS

THE Mortgagor(s) agree not to renovate or recent any part of the subject premises without written approval of the mortgagee.

#### ASSIGNMENT OF RENTS

As additional security, in consideration of the sum of One Dollar and other good and valuable consideration now paid by the Mortgagee to the Mortgagor (the receipt whereof is hereby acknowledged) the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all rents, both present and in future, payable under any leases and agreements now or hereafter affecting the Lands and premises together with all rights, benefits and advantages to be derived therefrom to have and to hold the same unto the Mortgagee, its successors and assigns, absolutely.

#### ASSIGNMENT, TRANSFER, SALE

THE Lender has right to assign, transfer or sell this mortgage to any Bank, Trust, or Individual without consent of the borrower(s).

#### LATE PAYMENT CHARGE

PROVIDED that the Mortgagee shall be entitled to a late charge of \$ 10.00 per day in the event that the mortgage payments are received by the Mortgagee later than the regularly scheduled payment date.

#### DUE ON DEFAULT

It is understood and agreed by the Mortgagor(s) that should they be in default under their existing first and second mortgages and should the property taxes not to be paid to date, then the herein Charge as being in default and shall be entitled to all remedies accorded to it by law.

#### GUARANTOR CLAUSE

The Guarantor(s) of the Third Party herein, in consideration of the Mortgagee(s) making the mortgage loan hereunder to the Mortgagor(s) and the sum of Two (\$ 2.00) Dollars of lawful money of Canada paid to them by the Mortgagee(s) (the receipt whereof is hereby by them acknowledged) for themselves, and each of their heirs,



executors, administrators, successors and assigns, does hereby covenant with the Mortgagee(s) to guarantee, as primary debtor and not as sureties, that the Mortgagor(s) will pay all money payable hereunder when due and will duly observe, perform and keep all the covenants herein contained and does hereby covenants to indemnify and save harmless the Mortgagee(s) from any loss, costs or damages arising from non-payment of the said monies or breach of non-performance of any of the said covenants and does further agree that the Mortgagee(s) may arrange with the Mortgagor(s) its successors and assigns to alter the terms hereof in manner whatsoever and or allow the Charged monies and or deal with the Charged property however it may deem fit and all without releasing the Guarantor, their heirs executors, administrators, successors and assigns from their obligations hereunder and without notice to them, and the Mortgagee(s) shall not be bound to exercise its remedies against the Mortgagor(s) or any other person or against the charged property before requiring payment of the monies or performance of covenants from the Guarantor.

ADDITIONAL PROVISIONS

Our current schedule of administration and servicing fees includes the following charges:

\$ 100.00 Missed payment Fee: Payable for each missed or late instalment and for processing each NSF cheque or other returned payment.

\$ 200.00 Insurance: payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements.

\$ 500.00 Default Proceedings: payable for each action or proceeding instituted.

~~\$2,000.00~~  
~~\$2,000.00~~ Renewal of Mortgages: for each renewal

\$ 500.00 Possession: for attending to take possession following default.

\$ 50.00 Maintenance: for administering maintenance and security of the property in our possession, per day.

\$ 250.00 Discharge Fee: for discharge on the property. \$ 100.00 for each additional property.

NOTE: The lender reserves the right to charge reasonable fees for other administrative services.

# Tab K

THIS IS EXHIBIT K REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS 10<sup>th</sup> DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS

**Properties**

**PIN** 14223 - 0956 LT  
**Description** PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902. BRAMPTON. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.  
**Address** 50 SUNNY MEADOW BOULEVARD  
 BRAMPTON



**Source Instruments**

Registration No.	Date	Type of Instrument
PR1418741	2008 02 21	Charge/Mortgage

**Party From(s)**

**Name** 1448037 ONTARIO LIMITED  
**Address for Service** 7050 Bramalea Road, Unit 11  
 Mississauga, Ontario  
 L5S 1T1

I, REHAN CHAUDARY, Secretary, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Party To(s)** **Capacity** **Share**

**Name** THE TORONTO-DOMINION BANK  
**Address for Service** TD Commercial Banking  
 Mississauga Real Estate Group  
 20 Milverton Drive, 2nd Floor  
 MISSISSAUGA, Ontario  
 L5R 3G2

**Statements**

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number PR1554408 registered on 2008/10/20  
 This document relates to registration no.(s)PR1418741

**Signed By**

Helena Clara	600-390 Bay Street Toronto M5H 2Y2	acting for Party From(s)	Signed	2008 11 18
Tel 416-868-1900				
Fax 4168681708				
Helena Clara	600-390 Bay Street Toronto M5H 2Y2	acting for Party To(s)	Signed	2008 11 18
Tel 416-868-1900				
Fax 4168681708				

**Submitted By**

ROSE, PERSIKO, RAKOWSKY, MELVIN LLP  
 600-390 Bay Street  
 Toronto  
 M5H 2Y2  
 2008 11 18

Tel 416-868-1900  
 Fax 4168681708

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

**Fees/Taxes/Payment**

Statutory Registration Fee \$60.00

Total Paid \$60.00

**File Number**

Party From Client File Number : 2080223 / POSTPONEMENT - MORTG (\$400,000

ACKNOWLEDGEMENT AND DIRECTION

(Postponement of \$400,000.00 Charge)

TO: ROSE, PERSIKO, RAKOWSKY, MELVIN LLP (Ronald B. Melvin)

RE: THE TORONTO-DOMINION BANK loan to 2012241 ONTARIO LIMITED, Part Lot 11, Concession 5 EHS, 50 Sunny Meadow Boulevard, Brampton, Ontario

**This will confirm that:**

- Each of the undersigned has reviewed the information set out in this Acknowledgment and Direction and in the draft forms of each document described below, a copy or copies of which is/are attached hereto (individually and collectively, the "Document"), and confirms that such information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver and/or register electronically each Document on behalf of each of the undersigned.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form of the Document Registration Agreement authorized or recommended from time to time by the Law Society of Upper Canada. Each of the undersigned acknowledges that such Document Registration Agreement has been reviewed by it or by its solicitors and that the undersigned shall be bound by the terms of such Document Registration Agreement;
- The effect of each Document has been fully explained to the each of the undersigned and it is understood that each of the undersigned is a party to and bound by the terms and provisions of each Document to the same extent as if it had signed the same; and
- Each of the undersigned is in fact a party named in each Document and has not misrepresented its identity to you.

**Description of the Documents** - The Document(s) described in this Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- a Transfer of the property(ies) described above.
- a Charge of the property(ies) described above.
- [a Notice of] a General Assignment of Rents [and Leases] in respect of the property(ies) described above.
- a Discharge of Charge in respect of the property(ies) described above.
- [a Notice of] an Agreement in respect of or relating to the property(ies) described above.
- Postponement of Interest re Charge No. PR1418741

Dated at Toronto, this 31 day of October, 2008.

1448037 ONTARIO LIMITED

Per: PC  
 Name: Rehan Chaudry  
 Title: Secretary

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

I/We have authority to bind the Corporation.

# Tab L

THIS IS **EXHIBIT L** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

\_\_\_\_\_  
A COMMISSIONER FOR TAKING AFFIDAVITS



**Properties**

*PIN* 14223 - 0956 LT  
*Description* PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902.  
 BRAMPTON. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC  
 COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF  
 LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.  
*Address* BRAMPTON

**Applicant(s)**

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

*Name* 2012241 ONTARIO LIMITED  
*Address for Service* 7050 Bramalea Road, Unit 11  
 Mississauga, Ontario L5S 1T1

I, JAGDEV DHALIWAL, President, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Party To(s)***Capacity**Share*

*Name* 1448037 ONTARIO LIMITED  
*Address for Service* 7050 Bramalea Road, Unit 11  
 Mississauga, Ontario L5S 1T1

**Statements**

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, PR1418741 registered on 2008/02/21 to which this notice relates is deleted

Schedule: See Schedules

**Signed By**

Ronald Edward Folkes	1-14 Nelson St. West Brampton L6X 1B7	acting for Applicant(s)	Signed	2008 02 21
Tel 9054572118				
Fax 9054573707				
Ronald Edward Folkes	1-14 Nelson St. West Brampton L6X 1B7	acting for Party To (s)	Signed	2008 02 21
Tel 9054572118				
Fax 9054573707				

**Submitted By**

FOLKES LEGAL PROFESSIONAL CORPORATION	1-14 Nelson St. West Brampton L6X 1B7	2008 02 21
Tel 9054572118		
Fax 9054573707		

**Fees/Taxes/Payment**

<i>Statutory Registration Fee</i>	\$60.00
<i>Total Paid</i>	\$60.00

## GENERAL ASSIGNMENT OF RENTS

BETWEEN:

2012241 ONTARIO LIMITED  
(Hereinafter called the "Assignor")

OF THE FIRST PART

- and -

1448037 ONTARIO LIMITED  
(Hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS the Assignee is advancing funds to the Assignor upon the security of a Charge/Mortgage registered on the 21st day of February, 2008 as Instrument No. PR1418741 which mortgage secures the principal sum of FOUR HUNDRED THOUSAND (\$400,000.00) DOLLARS made by the Assignor in favour of the Assignee and covering the lands and premises described in the Document to which this Schedule is attached, which lands and all buildings at any time situate thereon during the existence of the mortgage are hereinafter referred to as the "mortgaged premises".

AND WHEREAS as a condition precedent to the making of the mortgage and the advancing of the monies thereby secured to the Assignor, it was agreed between the parties hereto that subject to the terms and conditions hereinafter set forth the Assignor would assign to the Assignee by way of additional security all rents now due or accruing due or at any time hereafter to become due under all leases, present and future, at any time made during the existence of the mortgage in respect of the mortgaged premises or any part thereof.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the premises and of the said loan being made by the Assignee to the Assignor, the parties hereto mutually covenant, declare and agree as follows:

1. The Assignor hereby assigns to the Assignee and its successors and assigns, as security for the principal, interest and other amounts secured by the mortgage, and until the monies due under and by virtue of the mortgage have been fully paid and satisfied, all rents and other monies now due and payable or hereafter to become due and payable from the mortgaged premises and the benefit of all covenants of tenants and assignees ("the rent"):

- (a) Under every existing and future leases of and agreement to lease of the whole or any portion of the mortgaged premises;
- (b) In respect of every existing and future tenancy, agreement as to use or occupation and licence in respect of the whole or any portion of the mortgaged premises, whether or not pursuant to any written lease, agreement or licence;
- (c) Under every existing and future guarantee of all or any of the obligations of any existing or future tenant, subtenant, occupier or licensee of the whole or any portion of the mortgaged premises;
- (d) Under every future agreement to assume the obligations of tenants of the whole or any portion of the lands; (All of the foregoing leases, future agreements, licences

- 2 -

and guarantees being hereinafter referred to as the "leases"); with full power and authority to demand, collect, sue for, recover, receive and give receipts for the rents and to enforce payment thereof in the name of the Assignor or the owner from time to time of the mortgaged premises.

2. The Assignor shall be permitted to collect and receive the rents as and when they shall become due and payable according to the terms of each of the leases, unless and until there shall be default made in any payment provided for in the mortgage or until the breach of any covenant on the part of the Assignor contained in the mortgage, in which case the Assignee may give notice in writing to the tenant, subtenant, occupier, licensee or guarantor, advising of default. In such event the Assignor hereby irrevocably directs such tenant, subtenant, occupier, licensee or guarantor to make payments of rental due after receipt of such notice to the Assignee or as the Assignee may direct, upon being furnished with a true copy of this Assignment and the aforesaid notice in writing, without any further direction or authority being required by such tenant, subtenant, occupier, licensee or guarantor.
3. Nothing herein contained shall have the effect of making the Assignee or its successors or assigns responsible for the collection of the rents or any of them, or for the performance of any of the covenants, obligations or conditions under or in respect of the leases, or any of them, to be observed and performed by the Assignor.
4. The Assignee shall not, by virtue of this Agreement, or its receipt of the rents or any of them, become or be deemed a mortgagee in possession of the mortgaged premises, and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the rents, or any of them, or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the leases, or any of them.
5. The Assignee shall be liable to account only for such monies as shall actually come into its hands, less all costs and expenses and other proper deductions, and such monies shall be applied on account of any indebtedness of the Assignor to the Assignee.
6. The Assignor hereby agrees to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this Assignment and whenever in the future any lease, agreement, licence or guarantee with respect to the mortgaged premises or any part thereof is made, the Assignor will forthwith advise the Assignee, of the terms thereof and, if requested by the Assignee, give the Assignee a specific assignment of the lease and rents thereunder in the form requested by the Assignee.
7. The Assignor further agrees that the Assignor will not lease or agree to lease any part of the lands except at a rent, on terms and conditions and to tenants which are not less favourable or desirable to the Assignor than those which a prudent landlord would expect to receive for the premises to be leased.
8. That whenever any and all default under the mortgage has been cured and all taxes and insurance on the mortgaged premises have been paid to date, and all monies which the Assignee or its agents may have expended or become liable for in connection with the mortgaged premises have been fully repaid, the Assignor shall resume collection of the rentals on the mortgaged premises until further default has occurred and shall also be entitled to receive any remaining balance of the rents and revenues realized from the mortgaged premises.
9. That the Assignor shall not at any time during the existence of the mortgage, assign, pledge or hypothecate any lease now or hereafter existing in respect of the mortgaged premises or the rents and revenues due or to become due thereunder, or any part thereof, other than to the Assignee.
10. That the rights or remedies given to the Assignee hereunder shall be cumulative of and not substituted for any rights or remedies to which the Assignee may be entitled under the mortgage or at law, and the taking of this additional security shall in no way lessen, hinder or prejudice such rights or remedies.

- 3 -

11. It is understood and agreed that a full and complete release and discharge of the said Mortgage shall operate as a full and complete release of all the Assignee's rights and interest hereunder, and that after said Mortgage has been fully released and discharged, this instrument shall be void and of no further effect.

12. That the terms and conditions hereof shall be binding upon and enure to the benefit of the respective successors and assigns of the parties hereto and shall be in full force and effect upon execution and delivery of the same by the Assignor to the Assignee and without execution and delivery by the Assignee to the Assignor.

# Tab M

THIS IS **EXHIBIT M** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

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

**Properties**

**PIN** 14223 - 0956 LT  
**Description** PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902, BRAMPTON. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.  
**Address** 50 SUNNY MEADOW BOULEVARD  
 BRAMPTON



**Source Instruments**

Registration No.	Date	Type of Instrument
PR1418749	2008 02 21	Notice Of Assignment Of Rents-General

**Party From(s)**

**Name** 1448037 ONTARIO LIMITED  
**Address for Service** 7050 Bramalea Road, Unit 11  
 Mississauga, Ontario  
 L5S 1T1

I, REHAN CHAUDARY, Secretary, have the authority to bind the corporation.

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

**Party To(s)** **Capacity** **Share**

**Name** THE TORONTO-DOMINION BANK  
**Address for Service** TD Commercial Banking  
 Mississauga Real Estate Group  
 20 Milverton Drive, 2nd Floor  
 MISSISSAUGA, Ontario  
 L5R 3G2

**Statements**

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number PR1554408 registered on 2008/10/20

This document relates to registration no.(s)PR1418749

**Signed By**

Helena Clara  Tel 416-868-1900 Fax 4168681708	600-390 Bay Street Toronto M5H 2Y2	acting for Party From(s)	Signed 2008 11 18
Helena Clara  Tel 416-868-1900 Fax 4168681708	600-390 Bay Street Toronto M5H 2Y2	acting for Party To(s)	Signed 2008 11 18

**Submitted By**

ROSE, PERSIKO, RAKOWSKY, MELVIN LLP  
 600-390 Bay Street  
 Toronto  
 M5H 2Y2  
 2008 11 18

Tel 416-868-1900  
 Fax 4168681708

LRO # 43 Postponement Of Interest

Received as PR1569921 on 2008 11 18 at 14:37

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

yyyy mm dd Page 2 of :

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

**File Number**

Party From Client File Number : 2080223 / POSTPONEMENT - GAR (\$400,000)



**ACKNOWLEDGEMENT AND DIRECTION**  
 (Postponement of GAR re: \$400,000.00 Charge)

**TO:** ROSE, PERSIKO, RAKOWSKY, MELVIN LLP (Ronald B. Melvin)  
**RE:** THE TORONTO-DOMINION BANK loan to 2012241 ONTARIO LIMITED, Part Lot 11, Concession 5  
 EHS, 50 Sunnymeadow Boulevard, Brampton, Ontario

**This will confirm that:**

- Each of the undersigned has reviewed the information set out in this Acknowledgment and Direction and in the draft forms of each document described below, a copy or copies of which is/are attached hereto (individually and collectively, the "Document"), and confirms that such information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver and/or register electronically each Document on behalf of each of the undersigned.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form of the Document Registration Agreement authorized or recommended from time to time by the Law Society of Upper Canada. Each of the undersigned acknowledges that such Document Registration Agreement has been reviewed by it or by its solicitors and that the undersigned shall be bound by the terms of such Document Registration Agreement;
- The effect of each Document has been fully explained to the each of the undersigned and it is understood that each of the undersigned is a party to and bound by the terms and provisions of each Document to the same extent as if it had signed the same; and
- Each of the undersigned is in fact a party named in each Document and has not misrepresented its identity to you.

**Description of the Documents** - The Document(s) described in this Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- \_\_\_ a Transfer of the property(ies) described above.
- \_\_\_ a Charge of the property(ies) described above.
- \_\_\_ [a Notice of] a General Assignment of Rents [and Leases] in respect of the property(ies) described above.
- \_\_\_ a Discharge of Charge in respect of the property(ies) described above.
- \_\_\_ [a Notice of] an Agreement in respect of or relating to the property(ies) described above.
- Postponement of Interest re General Assignment of Rents No. PR1418749

Dated at Toronto, this 31 day of October, 2008.

1448037 ONTARIO LIMITED

Per: \_\_\_\_\_  
 Name: Rena Chadary  
 Title: \_\_\_\_\_

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

I/We have authority to bind the Corporation.

# Tab N

THIS IS **EXHIBIT N** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011.

\_\_\_\_\_  
A COMMISSIONER FOR TAKING AFFIDAVITS

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

**Properties**

*PIN* 14223 - 0956 LT *Interest/Estate* Fee Simple  
*Description* PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902.  
 BRAMPTON. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC  
 COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF  
 LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.  
*Address* 50 SUNNYMEADOW BOULEVARD  
 BRAMPTON

**Chargor(s)**

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

*Name* 2012241 ONTARIO LIMITED  
*Address for Service* c/o 7050 Bramalea Road, Unit 11  
 Mississauga, Ontario L5S 1T1

I, JAGDEV DHALIWAL, PRESIDENT, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Chargee(s)***Capacity**Share*

*Name* 1448037 ONTARIO LIMITED  
*Address for Service* c/o 7050 Bramalea Road, Unit 11  
 Mississauga, Ontario L5S 1T1

**Statements**

Schedule: See Schedules

**Provisions**

*Principal* \$864,070.09 *Currency* CDN  
*Calculation Period* half-yearly not in advance  
*Balance Due Date* ON DEMAND  
*Interest Rate* 14.0%  
*Payments* \$10,080.82  
*Interest Adjustment Date*  
*Payment Date* 12th, monthly  
*First Payment Date*  
*Last Payment Date*  
*Standard Charge Terms* 200033  
*Insurance Amount* full insurable value  
*Guarantor* Jagdev Dhaliwal

**Signed By**

Ronald Edward Folkes 1-14 Nelson St. West acting for Chargor Signed 2008 09 25  
 Brampton (s)  
 L6X 1B7  
 Tel 9054572118  
 Fax 9054573707

**Submitted By**

FOLKES LEGAL PROFESSIONAL CORPORATION 1-14 Nelson St. West 2008 09 25  
 Brampton  
 L6X 1B7  
 Tel 9054572118  
 Fax 9054573707

<b>Fees/Taxes/Payment</b>
---------------------------

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

SCHEDULE  
ADDITIONAL PROVISIONS/CLAUSES

PROVIDED that it is a condition of the advance of funds under this Mortgage that the Mortgagor(s) (hereinafter referred to as (Mortgagor(s)) or (Borrower(s)) provided 12 post-dated cheques for all regular payments falling due hereunder. Failure to provide post-dated cheques will result in default and Mortgagee (hereinafter referred to as (Mortgagee) or (Lender)) will be entitled to commence default proceedings.

N.S.F. FEE

PROVIDED the Mortgagee shall be entitled to an administrative fee of \$ 100.00 in the event any payment hereunder shall be returned unpaid by the Mortgagor(s) bank for any reason or payments not received on payments due date(s)

TAX RECEIPTS

PROVIDED paid tax receipts are to be provided to the Mortgagee on a half yearly basis. The Mortgagee shall have option, to be exercised in its sole discretion, to pay the property taxes directly and have the Mortgagor reimburse the amount of such payment forthwith after payment by the Mortgagee.

NON-TRANSFERABLE/NON-ASSUMABLE

PROVIDED that in the event of the transfer, sale or other change of ownership of the property secured by this charge/mortgage, the charge/mortgage becomes due and payable forthwith.

MORTGAGE STATEMENTS

PROVIDED that in the event of the Mortgagee is required to provide a mortgage Statement, there shall be an administrative fee of \$250.00 for each such statement.

DISCHARGE

THE LENDER shall be entitled to prepare or have its solicitor prepare a discharge or assignment of Mortgage and any other documents necessary to release or assign any security held by the Lender, and shall have a reasonable time after payment of the mortgage debt in full to prepare, execute and deliver such documents. A discharge fee in amount of \$250.00, in addition to all other fees in connection with the preparation, review, execution and delivery of such documents shall be paid by the Borrower(s) to the Lender

ADMINISTRATION FEE

PROVIDED that in the event of non-payment of the foregoing administrative fees, the amount due shall be added to the principal balance outstanding and shall earn interest pursuant to the provisions herein set out.

PREPAYMENT PROVISIONS

Provided that the Chargor, when not in default hereunder, shall have the privilege of prepaying the whole or any part of the principal sum hereby secured at any time without notice or bonus.

PRE PAYMENT PENALTY ON DEFAULT

THE Mortgagor(s) agrees that should the Mortgagee commence action due to default under the Mortgage, that the Mortgagee at its option shall be entitled to charge an additional fee equivalent to three month(s) interest and transfer the property on the Mortgagee(s) name or whoever the Mortgagee chooses to without any further notice the Mortgagor(s).

INSURANCE

In event that the Lender deems it necessary to arrange for insurance to be placed for the subject property, any amount paid by the Lender therefor shall be part of the indebtedness secured by the Mortgage bearing interest at the rate set out in the Mortgage. The Borrower(s) shall also pay to the Lender a fee in the amount of \$100.00 on each occasion on which the Lender arranges the placement of insurance. The Borrower(s) shall provide proof of insurance to the Lender at the Lender(s) request.

FURTHER ENCUMBRANCES

THE Mortgagor(s) shall not grant or permit any further mortgages, charges, or

encumbrances of any nature to be registered against the property without the prior consent in writing of Mortgagee and in the event of breach of this covenant the Mortgagee shall be entitled to commence default proceedings.

#### INSPECTION

THE Lender may, in the default by the Borrower(s) of any obligation under the Mortgage, or whenever the Lender deems it necessary, itself or by its agent enter upon the subject property and limitation an inspection fee of \$200.00 each time shall be forthwith payable by the Borrower(s) to the Lender.

#### ADDITIONAL INTEREST

PROVIDED that for the purpose of the calculation of the interest, any payment of principal received after 1.00 P.M. shall be deemed to have received on the next following banking day.

#### NON-TENANCY

THE Mortgagor covenants not to enter into tenancy agreement prior to registration hereof and agree with respect to any tenancy agreement entered into prior to discharge of this mortgage to incorporate an acknowledgement of priority by the lessee of the terms and provisions of this mortgage, including without limitation to generality an acknowledgement by the lessee thereunder that the Mortgagee(s) right to possession will not be bound by, or subject to, the residential tenancy provisions of the Landlord and Tenant Act.

#### ADMINISTRATION FEE ON DEFAULT

IF the Lender takes any action pursuant to the Mortgage by reason of the Borrower(s) default the Lender shall be entitled to add to the mortgage debt a service and administration fee of \$ 500.00 in addition to all other fees, claims or demand to which the Lender is also entitled.

#### RENOVATIONS

THE Mortgagor(s) agree not to renovate or recent any part of the subject premises without written approval of the mortgagee.

#### ASSIGNMENT OF RENTS

As additional security, in consideration of the sum of One Dollar and other good and valuable consideration now paid by the Mortgagee to the Mortgagor (the receipt whereof is hereby acknowledged) the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all rents, both present and in future, payable under any leases and agreements now or hereafter affecting the Lands and premises together with all rights, benefits and advantages to be derived therefrom to have and to hold the same unto the Mortgagee, its successors and assigns, absolutely.

#### ASSIGNMENT, TRANSFER, SALE

THE Lender has right to assign, transfer or sell this mortgage to any Bank, Trust, or Individual without consent of the borrower(s).

#### LATE PAYMENT CHARGE

PROVIDED that the Mortgagee shall be entitled to a late charge of \$ 10.00 per day in the event that the mortgage payments are received by the Mortgagee later than the regularly scheduled payment date.

#### DUE ON DEFAULT

It is understood and agreed by the Mortgagor(s) that should they be in default under their existing first and second mortgages and should the property taxes not to be paid to date, then the herein Charge as being in default and shall be entitled to all remedies accorded to it by law.

#### GUARANTOR CLAUSE

The Guarantor(s) of the Third Party herein, in consideration of the Mortgagee(s) making the mortgage loan hereunder to the Mortgagor(s) and the sum of Two (\$ 2.00) Dollars of lawful money of Canada paid to them by the Mortgagee(s) (the receipt whereof is hereby by them acknowledged) for themselves, and each of their heirs,

executors, administrators, successors and assigns, does hereby covenant with the Mortgagee(s) to guarantee, as primary debtor and not as sureties, that the Mortgagor(s) will pay all money payable hereunder when due and will duly observe, perform and keep all the covenants herein contained and does hereby covenants to indemnify and save harmless the Mortgagee(s) from any loss, costs or damages arising from non-payment of the said monies or breach of non-performance of any of the said covenants and does further agree that the Mortgagee(s) may arrange with the Mortgagor(s) its successors and assigns to alter the terms hereof in manner whatsoever and or allow the Charged monies and or deal with the Charged property however it may deem fit and all without releasing the Guarantor, their heirs executors, administrators, successors and assigns from their obligations hereunder and without notice to them, and the Mortgagee(s) shall not be bound to exercise its remedies against the Mortgagor(s) or any other person or against the charged property before requiring payment of the monies or performance of covenants from the Guarantor.

**ADDITIONAL PROVISIONS**

Our current schedule of administration and servicing fees includes the following charges:

\$ 100.00 Missed payment Fee: Payable for each missed or late instalment and for processing each NSF cheque or other returned payment.

\$ 200.00 Insurance: payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements.

\$ 500.00 Default Proceedings: payable for each action or proceeding instituted.

\$ 500.00 Renewal of Mortgages: for each renewal

\$ 500.00 Possession: for attending to take possession following default.

\$ 50.00 Maintenance: for administering maintenance and security of the property in our possession, per day.

\$ 250.00 Discharge Fee: for discharge on the property. \$ 100.00 for each additional property.

NOTE: The lender reserves the right to charge reasonable fees for other administrative services.



# Tab O

THIS IS **EXHIBIT O** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS

**Properties**

PIN 14223 - 0956 LT  
 Description PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902. BRAMPTON. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.  
 Address 50 SUNNY MEADOW BOULEVARD BRAMPTON



**Source Instruments**

Registration No.	Date	Type of Instrument
PR1539845	2008 09 25	Charge/Mortgage

**Party From(s)**

Name 1448037 ONTARIO LIMITED  
 Address for Service 7050 Bramalea Road, Unit 11 Mississauga, Ontario L5S 1T1

I, REHAN CHAUDARY, Secretary, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Party To(s)**

Capacity Share

Name THE TORONTO-DOMINION BANK  
 Address for Service TD Commercial Banking Mississauga Real Estate Group 20 Milverton Drive, 2nd Floor Mississauga, Ontario L5R 3G2

**Statements**

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number PR1554408 registered on 2008/10/20

This document relates to registration no.(s)PR1539845

**Signed By**

Helena Clara	600-390 Bay Street Toronto M5H 2Y2	acting for Party From(s)	Signed	2008 11 18
Tel 416-868-1900				
Fax 4168681708				
Helena Clara	600-390 Bay Street Toronto M5H 2Y2	acting for Party To(s)	Signed	2008 11 18
Tel 416-868-1900				
Fax 4168681708				

**Submitted By**

ROSE, PERSIKO, RAKOWSKY, MELVIN LLP 600-390 Bay Street Toronto M5H 2Y2 2008 11 18

Tel 416-868-1900  
 Fax 4168681708

LRO # 43 Postponement Of Interest

Received as PR1569922 on 2008 11 18 at 14:37

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

yyyy mm dd Page 2 of

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

**File Number**

Party From Client File Number : 2080223 / POSTPONEMENT - MORTG \$864,070

**ACKNOWLEDGEMENT AND DIRECTION**

(Postponement of \$864,070.00 Charge)

**TO:** ROSE, PERSIKO, RAKOWSKY, MELVIN LLP (Ronald B. Melvin)  
**RE:** THE TORONTO-DOMINION BANK loan to 2012241 ONTARIO LIMITED, Part Lot 11, Concession 5 EHS, 50 Sunny Meadow Boulevard, Brampton, Ontario

**This will confirm that:**

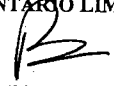
- Each of the undersigned has reviewed the information set out in this Acknowledgment and Direction and in the draft forms of each document described below, a copy or copies of which is/are attached hereto (individually and collectively, the "Document"), and confirms that such information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver and/or register electronically each Document on behalf of each of the undersigned.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form of the Document Registration Agreement authorized or recommended from time to time by the Law Society of Upper Canada. Each of the undersigned acknowledges that such Document Registration Agreement has been reviewed by it or by its solicitors and that the undersigned shall be bound by the terms of such Document Registration Agreement;
- The effect of each Document has been fully explained to each of the undersigned and it is understood that each of the undersigned is a party to and bound by the terms and provisions of each Document to the same extent as if it had signed the same; and
- Each of the undersigned is in fact a party named in each Document and has not misrepresented its identity to you.

**Description of the Documents** - The Document(s) described in this Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- a Transfer of the property(ies) described above.
- a Charge of the property(ies) described above.
- [a Notice of] a General Assignment of Rents [and Leases] in respect of the property(ies) described above.
- a Discharge of Charge in respect of the property(ies) described above.
- [a Notice of] an Agreement in respect of or relating to the property(ies) described above.
- Postponement of Interest re Charge No. PR1539845.

Dated at Toronto, this 31 day of October, 2008.

1448037 ONTARIO LIMITED

Per:   
Name: Rehan Chanday  
Title: Secretary

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

I/We have authority to bind the Corporation.

# Tab P

THIS IS **EXHIBIT P** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

**Properties**

*PIN* 14223 - 0956 LT  
*Description* PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902. BRAMPTON. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.  
*Address* 50 SUNNYMEADOW BOULEVARD  
 BRAMPTON

**Applicant(s)**

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

*Name* 2012241 ONTARIO LIMITED  
*Address for Service*

I, JAGDEV DHALIWAL, President, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Party To(s)** *Capacity* *Share*

*Name* 1448037 ONTARIO LIMITED  
*Address for Service* c/o 7050 Bramalea Road, Unit 11  
 Mississauga, Ontario L5S 1T1

**Statements**

The applicant applies for the entry of a notice of general assignment of rents.  
 This notice may be deleted by the Land Registrar when the registered instrument, PR1539845 registered on 2008/09/25 to which this notice relates is deleted  
 This document relates to registration no.(s)PR1539845

**Signed By**

Ronald Edward Folkes	1-14 Nelson St. West Brampton L6X 1B7	acting for Applicant(s)	Signed	2008 09 25
Tel 9054572118				
Fax 9054573707				
Ronald Edward Folkes	1-14 Nelson St. West Brampton L6X 1B7	acting for Party To (s)	Signed	2008 09 25
Tel 9054572118				
Fax 9054573707				

**Submitted By**

FOLKES LEGAL PROFESSIONAL CORPORATION	1-14 Nelson St. West Brampton L6X 1B7		2008 09 26
Tel 9054572118			
Fax 9054573707			

**Fees/Taxes/Payment**

<i>Statutory Registration Fee</i>	\$60.00
<i>Total Paid</i>	\$60.00



# Tab Q

THIS IS **EXHIBIT Q** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS *10<sup>th</sup>* DAY OF  
NOVEMBER, 2011

\_\_\_\_\_  
A COMMISSIONER FOR TAKING AFFIDAVITS

LRO # 43 Postponement Of Interest

Received as PR1569923 on 2008 11 18 at 14:37

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

yyyy mm dd Page 1 of 1

**Properties**

**PIN** 14223 - 0956 LT

**Description** PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902. BRAMPTON. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.

**Address** 50 SUNNY MEADOW BOULEVARD  
BRAMPTON

**Source Instruments**

Registration No.	Date	Type of Instrument
PR1539924	2008 09 26	Notice Of Assignment Of Rents-General

**Party From(s)**

**Name** 1448037 ONTARIO LIMITED

**Address for Service** 7050 Bramalea Road, Unit 11  
Mississauga, Ontario  
L5S 1T1

I, REHAN CHAUDARY, Secretary, have the authority to bind the corporation.

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

**Party To(s)***Capacity**Share*

**Name** THE TORONTO-DOMINION BANK

**Address for Service** TD Commercial Banking  
Mississauga Real Estate Group  
20 Milverton Drive, 2nd Floor  
Mississauga, Ontario  
L5R 3G2

**Statements**

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number PR1554408 registered on 2008/10/20

This document relates to registration no.(s)PR1539924

**Signed By**

Helena Clara	600-390 Bay Street Toronto M5H 2Y2	acting for Party From(s)	Signed	2008 11 18
Tel 416-868-1900				
Fax 4168681708				
Helena Clara	600-390 Bay Street Toronto M5H 2Y2	acting for Party To(s)	Signed	2008 11 18
Tel 416-868-1900				
Fax 4168681708				

**Submitted By**

ROSE, PERSIKO, RAKOWSKY, MELVIN LLP

600-390 Bay Street  
Toronto  
M5H 2Y2

2008 11 18

Tel 416-868-1900

Fax 4168681708

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

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

**File Number**

Party From Client File Number : 2080223 / POSTPONEMENT - GAR \$864,070

**ACKNOWLEDGEMENT AND DIRECTION**  
(Postponement of GAR re: \$864,070.00 Charge)

**TO:** ROSE, PERSIKO, RAKOWSKY, MELVIN LLP (Ronald B. Melvin)  
**RE:** THE TORONTO-DOMINION BANK loan to 2012241 ONTARIO LIMITED, Part Lot 11, Concession 5  
 EHS, 50 Sunny Meadow Boulevard, Brampton, Ontario

**This will confirm that:**


- Each of the undersigned has reviewed the information set out in this Acknowledgment and Direction and in the draft forms of each document described below, a copy or copies of which is/are attached hereto (individually and collectively, the "Document"), and confirms that such information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver and/or register electronically each Document on behalf of each of the undersigned.
- You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form of the Document Registration Agreement authorized or recommended from time to time by the Law Society of Upper Canada. Each of the undersigned acknowledges that such Document Registration Agreement has been reviewed by it or by its solicitors and that the undersigned shall be bound by the terms of such Document Registration Agreement;
- The effect of each Document has been fully explained to each of the undersigned and it is understood that each of the undersigned is a party to and bound by the terms and provisions of each Document to the same extent as if it had signed the same; and
- Each of the undersigned is in fact a party named in each Document and has not misrepresented its identity to you.

**Description of the Documents** - The Document(s) described in this Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

- \_\_\_ a Transfer of the property(ies) described above.  
 \_\_\_ a Charge of the property(ies) described above.  
 \_\_\_ [a Notice of] a General Assignment of Rents [and Leases] in respect of the property(ies) described above.  
 \_\_\_ a Discharge of Charge in respect of the property(ies) described above.  
 \_\_\_ [a Notice of] an Agreement in respect of or relating to the property(ies) described above.  
 X Postponement of Interest re General Assignment of Rents No. PR1539924.

Dated at Toronto, this 31 day of October, 2008.

1448037 ONTARIO LIMITED

Per:   
 Name: Neha Chaudhary  
 Title: Secretary

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

I/We have authority to bind the Corporation.

# Tab R

THIS IS **EXHIBIT R** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

**Properties**

*PIN* 14223 - 0956 LT  
*Description* PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902.  
 BRAMPTON. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC  
 COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT  
 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.  
*Address* 50 50 SUNNY MEADOW BOULEVARD  
 BRAMPTON

**Consideration**

*Consideration* \$2.00

**Applicant(s)**

The notice is based on or affects a valid and existing estate, right, interest or equity in land

*Name* THE TORONTO-DOMINION BANK  
*Address for Service* TD Commercial Banking  
 Mississauga Real Estate Group  
 20 Milverton Drive, 2nd Floor  
 MISSISSAUGA, Ontario  
 L5R 3G2

I, SANDRA SANTOS, Commercial Operation Leader, Commercial Real Estate Group, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Statements**

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, PR1554408 registered on 2008/10/20 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration no.(s)PR1554408, PR1418741 and PR1539845.

**Signed By**

Helena Clara 600-390 Bay Street acting for Signed 2009 08 05  
 Toronto Applicant(s)  
 M5H 2Y2

Tel 416-868-1900

Fax 4168681708

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

**Submitted By**

ROSE, PERSIKO, RAKOWSKY, MELVIN LLP 600-390 Bay Street 2009 08 05  
 Toronto  
 M5H 2Y2

Tel 416-868-1900

Fax 4168681708

**Fees/Taxes/Payment**

*Statutory Registration Fee* \$60.00  
*Total Paid* \$60.00

**File Number**

*Applicant Client File Number :* 2080223/NOTICE - ACK PRIORITY/STANDSTILL



**ACKNOWLEDGEMENT OF PRIORITY AND STANDSTILL UNDERTAKING**  
(1448037 Ontario Limited)



TO: THE TORONTO-DOMINION BANK

RE: THE TORONTO-DOMINION BANK loan to 2012241 ONTARIO LIMITED, Part Lot 11, Concession 5 EHS, designated as Parts 6 & 7, Reference Plan 43R-21902, 50 Sunny Meadow Boulevard, Brampton, Ontario (the "Property")

WHEREAS The Toronto-Dominion Bank (the "Senior Lender") has extended a loan and certain credit facilities (collectively the "Senior Loan") to 2012241 Ontario Limited (the "Borrower") which is secured, inter alia, by a Charge/Mortgage (the "Senior Security") securing the principal sum of \$12,500,000.00, together with interest thereon and other charges and upon terms and conditions as stipulated therein, registered on title to the Property as Instrument No. PR1554408;

AND WHEREAS 1448037 Ontario Limited (the "Subordinate Lender") made certain loans to the Borrower which are secured by the following (collectively, the "Subordinate Security"):

- (a) a Charge/Mortgage securing the principal sum of \$400,000.00, together with interest thereon and other charges and upon terms and conditions as stipulated therein, registered on title to the Property as Instrument No. PR1418741;
- (b) a General Assignment of Rents registered on title to the Property as Instrument No. PR1418749;
- (c) a Charge/Mortgage securing the principal sum of \$864,070.00, together with interest thereon and other charges and upon terms and conditions as stipulated therein, registered on title to the Property as Instrument No. PR1539845;
- (d) a General Assignment of Rents registered on title to the Property as Instrument No. PR1539924;
- (e) one or more personal property security agreements in respect of which a Financing Statement has been registered pursuant to the Personal Property Security Act (Ontario) under File No. 642883068 and Registration No. 20080222-1701-1462-5373; and
- (f) one or more personal property security agreements in respect of which a Financing Statement has been registered pursuant to the Personal Property Security Act (Ontario) under File No. 648818028 and Registration No. 20080926-1407-1462-1596;

NOW THEREFORE, in consideration of the sum of TWO DOLLARS (\$2.00) and other good and valuable consideration now paid or given by the Senior Lender to the Subordinate Lender (the receipt and sufficiency of which are hereby acknowledged by the Subordinate Lender), the Subordinate Lender hereby acknowledges, covenants and agrees as follows:

1. The provisions of the Subordinate Security have not been amended in any way whatsoever, except as disclosed by registered title to the Property and by the Personal Property Security Act (Ontario).
2. As at the date hereof,
  - (a) the principal balance outstanding under the Subordinate Security is as follows:
    - (i) Charge No. PR1418741: \$ 400,000.00;
    - (ii) Charge No. PR1539845: \$ 864,070.09;
  - (b) the Borrower has paid to the Subordinate Lender (or such other party as the Subordinate Lender may have directed) all monies, if any, due and owing under the Subordinate Security up to and including the date hereof; and
  - (c) the Borrower is in good standing in all respects under the terms and conditions of the Subordinate Security.
3. The Senior Security and all monies now or hereafter advanced thereunder and secured thereby shall have undisputed priority in all respects over all rights, title and interest which the Subordinate Lender may have in and to the Property under or pursuant to the Subordinate Security including, without limitation, all rents, income, profits and other revenues of every nature and kind whatsoever arising out of or from the Property or any part or parts thereof; and for greater clarity and without limiting the generality of the foregoing, the Subordinate Lender acknowledges and agrees that such priority of the Senior Security shall include and extend to all accrued and unpaid interest, all costs and expenses of every nature and kind whatsoever, and all additional monies over and above the face principal amount of the Senior Loan and the authorized facilities therefor which may be required to be funded by the Senior Lender to cover any cost overruns in connection with the buildings and other improvements constructed or to be constructed upon the Property.
4. Notwithstanding any default by the Borrower or any of its successors and assigns (individually and collectively, the "Borrower Entity") or in respect of the loans or indebtedness secured by the Subordinate Security or in respect of any other security held by the Subordinate Lender in connection with such loans or indebtedness,
  - (a) until such time as all amounts owed to the Senior Lender in connection with the Senior Loan have been repaid in full, the Subordinate Lender will not:
    - (i) accept or require to be made any payments of principal, interest or other amounts under any of the Subordinate Security;

- (ii) make demand under any of the Subordinate Security; or
  - (iii) take any steps to enforce any of the Subordinate Security or any such other security or realize upon the security thereof or enforce payment or performance under such loans or indebtedness;
- (b) the Subordinate Lender will execute and deliver upon the written request of any Borrower Entity or the Senior Lender, without requiring payment of any kind other than the reasonable legal costs of the Subordinate Lender's solicitors, all agreements, consents, partial discharges and other usual documentation required in connection with development and registration of the Property as a three storey 53,285 square foot commercial condominium project comprising, inter alia, 47 commercial condominium units and 264 parking units; and
- (c) the Subordinate Lender will execute and deliver upon the written request of any Borrower Entity or the Senior Lender, without requiring payment of any kind other than the reasonable partial discharge fee of the Subordinate Lender's solicitors, one or more partial discharges of the Subordinate Security from all or any portion or portions of the Property or any condominium unit created thereon in respect of which there shall be simultaneously provided and registered a partial discharge of the Senior Security.
5. Upon each request from time to time by the Senior Lender or its solicitors, the Subordinate Lender will execute and deliver to the Senior Lender any consent, acknowledgement, subordination, postponement or other agreement in respect of the Subordinate Security so as to permit any and all amendments, extension or other variation of the Senior Loan, the Senior Security and/or any other security held by the Senior Lender in connection with the Senior Loan, provided that the principal amount secured by the Senior Security is not increased above the amount referred to herein and that any such amendments, extensions or other variations provide for interest and are upon such other terms and conditions as are commercially reasonable and consistent with mortgage lending practices generally applied to properties comparable to the Property.
6. The Senior Lender and/or its solicitors are hereby authorized to complete herein particulars of registration of the Senior Security once registered.

DATED this 31 day of October, 2008.

1448037 ONTARIO LIMITED

Per: 

Name:

Title:

Rehan Chaudhary  
Secretary

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

Name:

Title:

I/We have authority to bind the Corporation.

# Tab S

THIS IS **EXHIBIT S** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

INTER  
LENDER  
219

**Properties**

**PIN** 14223 - 0956 LT  
**Description** PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902/  
 BRAMPTON, S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC  
 COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT.OF LT  
 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145.  
**Address** 50 SUNNY MEADOW BOULEVARD  
 BRAMPTON

**Consideration**

**Consideration** \$2.00

**Applicant(s)**

The notice is based on or affects a valid and existing estate, right, interest or equity in land

**Name** THE TORONTO-DOMINION BANK  
**Address for Service** TD Commercial Banking  
 Mississauga Real Estate Group  
 20 Milverton Drive, 2nd Floor  
 MISSISSAUGA, Ontario  
 L5R 3G2

I, SANDRA SANTOS, Commercial Operation Leader, Commercial Real Estate Group, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Statements**

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, PR1554408 registered on 2008/10/20 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration no.(s)PR1554408, PR1418741 and PR1539845.

**Signed By**

Helena Clara 600-390 Bay Street acting for Signed 2009 09 24  
 Toronto Applicant(s)  
 M5H 2Y2

Tel 416-868-1900

Fax 4168681708

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

**Submitted By**

ROSE, PERSIKO, RAKOWSKY, MELVIN LLP 600-390 Bay Street 2009 10 15  
 Toronto  
 M5H 2Y2

Tel 416-868-1900

Fax 4168681708

**Fees/Taxes/Payment**

**Statutory Registration Fee** \$60.00  
**Total Paid** \$60.00

**File Number**

**Applicant Client File Number :** 2080223/NOTICE INTER-LENDER AGRMT

INTER-LENDER AGREEMENT

THIS AGREEMENT made as of the 22 day of <sup>September</sup> ~~August~~, 2009,

BETWEEN:

**THE TORONTO-DOMINION BANK,**  
hereinafter called the "Senior Lender",

- and -

**1448037 ONTARIO LIMITED,**  
hereinafter called the "Subordinate Lender",

- and -

**2012241 ONTARIO LIMITED,**  
hereinafter called the "Borrower",

- and -

**1611161 ONTARIO LIMITED,  
RAVINDER SINGH CHAHAL and  
JAGDEV DHALIWAL,**  
hereinafter individually and collectively called the "Guarantor";

WHEREAS the Senior Lender has extended a loan and certain credit facilities (collectively the "Senior Loan") to the Borrower which is secured, inter alia, by a Charge/Mortgage (the "Senior Charge") securing the principal sum of \$12,500,000.00, together with interest thereon and other charges and upon terms and conditions as stipulated therein, registered as Instrument No. PR1554408 on title to the lands and premises comprising Part Lot 11, Concession 5 EHS, designated as Parts 6 & 7, Reference Plan 43R-21902, 50 Sunny Meadow Boulevard, Brampton, Ontario (the "Property");

AND WHEREAS the Subordinate Lender made certain loans to the Borrower which are secured, inter alia, by the following (collectively, the "Subordinate Charges"):

- (a) a Charge/Mortgage securing the principal sum of \$400,000.00, together with interest thereon and other charges and upon terms and conditions as stipulated therein, registered on title to the Property as Instrument No. PR1418741; and
- (b) a Charge/Mortgage securing the principal sum of \$864,070.00, together with interest thereon and other charges and upon terms and conditions as stipulated therein, registered on title to the Property as Instrument No. PR1539845;

AND WHEREAS the Subordinate Lender has previously executed and delivered to the Senior Lender an Acknowledgement of Priority and Standstill Undertaking dated October 31, 2008 (the "Standstill Undertaking") and registered on title to the Property as Instrument No. PR1681378 pursuant to which the Subordinate Lender agreed that, until such time as all amounts owed to the Senior Lender in connection with the Senior Loan have been repaid in full, the Subordinate Lender will not accept or require to be made any payments of principal, interest or other amounts under any of the Subordinate Charges, make demand under any of the Subordinate Charges, or take any steps to enforce any of the Subordinate Charges or any other security or realize upon the security thereof or enforce payment or performance under the loans secured by the Subordinate Charges;

NOW THEREFORE, in consideration of the sum of TWO DOLLARS (\$2.00) and other good and valuable consideration now paid or given by each party hereto to each of the others (the receipt and sufficiency of which are hereby acknowledged by each party hereto), the parties hereto hereby acknowledge, covenant and agree as follows:

1. **Recitals True** - The foregoing recitals are true and accurate in all respects and shall be interpreted as covenants, terms and provisions of this Agreement as though included in the main body hereof.
2. **Acknowledgement and Representation by Subordinate Lender** - The Subordinate Lender hereby acknowledges and agrees, and represents and warrants to the Senior Lender, that: (i) it is the sole owner of the Subordinate Charges and the loan indebtedness secured thereby and has full power, authority and legal right to enter into this Agreement; (ii) the Standstill Undertaking is and will remain in full force and effect and binding upon and enforceable against the Subordinate Lender, and the Subordinate Lender will strictly comply with the terms and conditions of the Standstill Undertaking; (iii) the principal amounts, interest arrears and payments, outstanding costs and other particulars of the Subordinate Charges as set out on the statement attached hereto as Schedule "A" (the "Subordinate Loans Statement") are true and accurate in all respects and the same are now or will be legally due and owing under the Subordinate Charges; and (iv) upon request by the Senior Lender from time to time, the Subordinate Lender shall provide to the Senior Lender a statement confirming the status of the loan indebtedness secured by the Subordinate Charges, including the amount thereof then outstanding, the then applicable interest rate and payment terms and particulars of all existing or alleged defaults by the Borrower in respect thereof.
3. **Acknowledgement and Representation by Borrower and Guarantor** - Each of the Borrower and the Guarantor hereby acknowledge and agree, and represent and warrant to the Senior Lender, that: (i) it is the sole owner of the Property and has full power, authority and legal right to enter into this Agreement; (ii) the principal amounts, interest arrears and payments, outstanding costs and other particulars of the Subordinate Charges as set out on the Subordinate Loans Statement are true and accurate in all respects and the same are now or will be legally due and owing under the Subordinate Charges; and (iii) upon request by the Senior Lender from time to time, the Borrower

shall provide to the Senior Lender a statement confirming the status of the loan indebtedness secured by the Subordinate Charges, including the amount thereof then outstanding, the then applicable interest rate and payment terms and particulars of all existing or alleged defaults by the Borrower in respect thereof.

4. **Interest Due Under Subordinate Security** - Provided that the Senior Loan is not in default at the time that any such payment is to be made, the Senior Lender agrees to pay to the Subordinate Lender all arrears of interest now owing under the Subordinate Charges as set out on the Subordinate Loans Statement, and will thereafter continue to pay to the Subordinate Lender the monthly installments of interest accruing under the Subordinate Charges.
5. **Assignment of Subordinate Charges** - The Subordinate Lender agrees to assign the Subordinate Charges to the Senior Lender as security for the Subordinate Lender's compliance with the Standstill Undertaking, such assignment to include the rights of the Senior Lender to perform the obligations of the Subordinate Lender pursuant to subparagraphs 4(b) and (c) of the Standstill Undertaking.
6. **Reassignment of Subordinate Charges** - Upon full repayment of the Senior Loan, (a) the Senior Lender will reassign the Subordinate Charges to the Subordinate Lender, and (b) until the Subordinate Charges are re-assigned as aforesaid, any monies received by the Senior Lender from the proceeds of sale of the Property in excess of the amount required to fully repay the Senior Loan will be held by the Senior Lender or its legal counsel and released to the parties entitled thereto only in accordance with their respective priorities.
7. **Consent of Borrower and Guarantor** - Each of the Borrower and the Guarantor hereby consent to this Agreement and acknowledge and agree that: (a) all payments made by the Senior Lender to the Subordinate Lender shall be charged to and deemed advanced under the Senior Loan and shall thereafter bear interest at the rate applicable to the Senior Loan, and (b) the Senior Lender shall be entitled to perform on behalf of the Subordinate Lender its obligations set out in subparagraphs 4(b) and (c) of the Standstill Undertaking.
8. **Registration on Title** - Each of the Subordinate Lender, the Borrower and the Guarantor hereby irrevocably consents to and authorizes the Senior Lender and its solicitors to register this Agreement on title to the Property.
9. **Notices** - All notices or other communications to be given pursuant to or in connection with this Agreement shall be in writing, signed by the party giving such notice or by its solicitors, and shall be personally delivered or sent by registered mail, facsimile transmission or email addressed as follows:
  - (a) to the Senior Lender at TD Commercial Banking, Mississauga Real Estate Group, 20 Milverton Drive, 2nd Floor, Mississauga, Ontario, L5R 3G2, Attention: Rene Angelini, Fax No. 905-890-4121, Email: (Rene Angelini) [rene.angelini@td.com](mailto:rene.angelini@td.com); and
  - (b) to the Subordinate Lender in care of Folkes Legal Professional Corporation, Barristers and Solicitors, 14 Nelson Street West, Suite 1, Brampton, Ontario, L6X 1B7, Attention: Ron E. Folkes, Fax No. 905-457-3707, Email: (Ron E. Folkes) [ronefolkews@folkeslaw.ca](mailto:ronefolkews@folkeslaw.ca); and
  - (c) to one or more of the Borrower and the Guarantor at 470 Chrysler Drive, Unit 20, Brampton, Ontario, L6S 0C1, Attention: Ravinder Chahal, Fax No. 905-463-0811, Email: (Ravinder Chahal) [ravrocks@hotmail.com](mailto:ravrocks@hotmail.com).


Any notice given by personal delivery shall be deemed to have been received on the day of and at the time of such delivery or transmission, provided that if such day is not a business day, then such notice shall be deemed to have been received at 9:00 a.m. on the next following business day. Any notice given by facsimile transmission or email shall be deemed to have been received, in the absence of evidence to the contrary, on the day of and one (1) hour after the time of its transmission. A read receipt in respect of any notice given by email shall constitute rebuttable presumptive evidence that such notice was received by the party intended to receive it. Any notice given by registered mail shall be deemed to have been received at 2:00 p.m. on the second business day after the posting thereof. Any notice requesting or requiring response within five (5) or less business days from the date thereof shall be given by personal delivery, facsimile transmission or email. In the event of actual or reasonably anticipated postal disruption, all notices shall only be given by personal delivery, facsimile transmission or email. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

10. **General Contract Provisions** - This Agreement constitutes the entire agreement between the parties and there are no other representations, warranties, terms or conditions pertaining to this Agreement or the subject matter hereof other than as herein set forth. Any amendment, waiver or discharge of this Agreement or of any schedules attached hereto shall be made only in writing signed by all of the parties hereto. Time is and shall remain of the essence under and pursuant to this Agreement. Failure by any party to strictly enforce any provisions hereof shall not operate as a waiver or limitation of such party's rights hereunder in respect of any subsequent default. If any provision of this Agreement or the application thereof to any person or circumstance is to any extent held or rendered invalid, unenforceable or illegal, same shall be considered separate and severable herefrom and all other provisions of this Agreement shall remain in full force and effect and be binding upon the parties hereof. The headings set forth in this Agreement are inserted for convenience and reference only and shall in no way define or limit the intent or interpretation of any of the provisions hereof. Wherever in this Agreement any subject matter is described as including specifically described persons, things, events or other items, unless expressly stated to the contrary, the words "include", "includes" and "including" shall mean "include", "includes" or "including", as the case may be, "without limiting the generality of the foregoing." This Agreement shall be read and construed with all changes of gender and number of the party or parties referred to in each case as required by the context, and the covenants and agreements of each party shall be deemed to be joint and several where such party is more than one person, firm or corporation. Nothing in this Agreement shall constitute the parties as partners of each other in the conduct of their respective businesses or otherwise, or joint venturers or a members of a joint enterprise with each other.

- 11. Applicable Law - This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and the parties hereto attorn to the jurisdiction of the Province of Ontario.
- 12. Agreement Binding Upon Successors - This Agreement and all rights and obligations arising from same shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, legal personal representatives, successors and assigns.
- 13. Counterparts & Consolidation - This Agreement may be executed by the parties hereto in two or more counterparts, and when each party has executed and delivered a counterpart of this Agreement to all of the other parties hereto, such counterparts taken together shall be deemed to be a fully executed original copy of this Agreement as though all parties had executed the same document. Each of the Subordinate Lender, the Borrower and the Guarantor hereby irrevocably consents to and authorizes the Senior Lender and its solicitors to consolidate the signed pages of each such executed counterpart into a single document, which consolidated document shall be deemed to be a fully executed original copy of this Agreement as though all parties had executed the same document.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

**THE TORONTO-DOMINION BANK**

Per:   
 Name: SANDRA SANTOS  
 Title: COMMERCIAL OPERATION LEADER  
 COMMERCIAL REAL ESTATE GROUP  
 I/WE HAVE AUTHORITY TO  
 BIND THE CORPORATION

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

I/We have authority to bind the Bank.

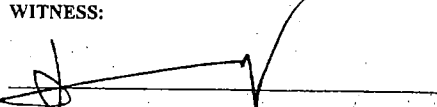
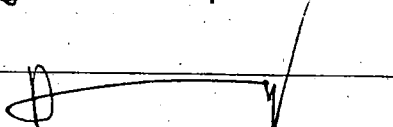
**2012241 ONTARIO LIMITED**

Per:   
 Jagdev Dhaliwal, President

Per:   
 Ravinder Singh Chahal, Secretary

We have authority to bind the Corporation.

WITNESS:

  
 \_\_\_\_\_  
  
 \_\_\_\_\_

**1448037 ONTARIO LIMITED**

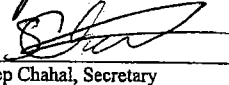
Per:   
 Name: Ahmed Rehan Chaudary  
 Title: Secretary

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



I/We have authority to bind the Corporation.

**1611161 ONTARIO LIMITED**

Per:   
 Jagdev Dhaliwal, President

Per:   
 Sandeep Chahal, Secretary

We have authority to bind the Corporation.

  
 JAGDEV DHALI WAL  
  
 RAVINDER SINGH CHAHAL



SCHEDULE "A"

(Subordinate Loans Statement)

## MORTGAGE STATEMENT

RE: 1448037 Ontario Limited second mortgage loan to 2012241 Ontario Limited  
50 Sunny Meadow Boulevard, Brampton

Principal Amount of Second Mortgage	\$400,000.00
Registered:	February 21, 2008
Instrument no.:	PR1418741
Maturity date:	July 1, 2008
Interest rate:	14%
Monthly payments:	\$4,666.67
Last payment of interest:	April 1, 2009
Next payment due:	September 1, 2009

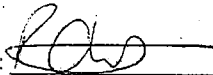
The following is the amounts required to bring the above-noted second mortgage into good standing, as of August 24, 2009:

May 1, 2009 payment due	\$	4,666.67	
June 1, 2009 payment due		4,666.67	
July 1, 2009 payment due		4,666.67	
August payment - August 1 to August 24 <sup>h</sup> (\$150.54 x 24 days)		<u>3,612.91</u>	
Total Interest Payments due:	\$		17,612.92
Plus the following costs:			
Missed Payment Charge (\$100.00 x 4 payments)	\$	400.00	
Mortgage Statement Fee:		250.00	
Plus legal fees and disbursements (including GST)		<u>1,490.00</u>	
Total costs added to mortgage			<u>2,140.00</u>
TOTAL, as of August 24, 2009	\$		19,752.92
Plus per diem of \$150.54			

1448037 ONTARIO LIMITED

I have authority to bind the  
Corporation

Per:

  
 Ahmed Rehan Chaudary

SCHEDULE "A"

(Subordinate Loans Statement)

**MORTGAGE STATEMENT**

**RE: 1448037 Ontario Limited third mortgage loan to 2012241 Ontario Limited  
50 Sunny Meadow Boulevard, Brampton**

Principal Amount of Third Mortgage	\$864,070.09
Registered:	September 25, 2008
Instrument no.:	PR1539845
Maturity date:	Payable on demand
Interest rate:	14%
Monthly payments:	\$10,080.82
Last payment of interest:	April 1, 2009
Next payment due:	September 1, 2009

The following is the amounts required to bring the above-noted third mortgage into good standing, as of August 24, 2009:

May 1, 2009 payment due	\$	10,080.82	
June 1, 2009 payment due		10,080.82	
July 1, 2009 payment due		10,080.82	
August payment - August 1 to August 24 <sup>th</sup> (\$325.18 x 24 days)		<u>7,804.32</u>	
Total Interest Payments due:	\$		38,046.78
Plus the following costs:			
Missed Payment Charge (\$100.00 x 4 payments)	\$	400.00	
Mortgage Statement Fee		250.00	
Plus legal fees and disbursements (including GST)		<u>1,490.00</u>	
Total costs added to mortgage			<u>2,140.00</u>
TOTAL, as of August 24, 2009	\$		40,186.78
Plus per diem of \$325.18			

1448037 ONTARIO LIMITED

I have authority to bind the  
Corporation

Per: 

Ahmed Rehan Chaudary

# Tab T

THIS IS **EXHIBIT T** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS 10<sup>th</sup> DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS

2 Wellington Street West  
 Brampton, ON L6Y 4R2  
 T: 905-874 2200 F: 905-874-2296  
 E: propertytax@brampton.ca

 AIRD & BERLIS LLP  
 BROOKFIELD PLACE  
 181 BAY STREET, SUITE 1800  
 BOX 754  
 TORONTO ON M5J 2T9

No: 64796 Fee Paid: \$75.00

Date: October 4, 2011

Roll No: 10-07-0-025-07800-0000

Location: 0 PETER ROBERTSON BLVD

 Description: CON 5 EHS PT LOT 11 RP 43R21902  
 PARTS 6,7

 Owner: 2012241 ONTARIO LIMITED  
 ATTN CHAHAL WILSHIRE GROUP  
 INC

Reference:

**Levy Information**

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2011		27,568.78					27,568.78
2010		27,066.72					27,066.72

**Tax Information**
**\* Future Instalments**

Year	Tax Owing	Pen/Int Owing	Total Owing
2011	27,574.43	1,645.75	29,220.18
2010			
2009			
2008 & Prior			
<b>Sub Total</b>	<b>27,574.43</b>	<b>1,645.75</b>	<b>29,220.18</b>
Tax Loans			
<b>Total</b>	<b>27,574.43</b>	<b>1,645.75</b>	<b>29,220.18</b>

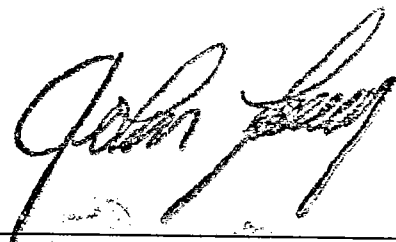
October 19, 2011	4,678.00
* included in total owing	

**Additional Information**
**Collection Activity**

Note: The amounts shown above represent the status of the account as of the date of production only and are subject to change. Please contact the Brampton Tax Office (905-874-2200) for an update on amounts owing prior to preparing any remittance.

I hereby certify that this statement shows all arrears of taxes against the lands described hereon, and proceedings have (not) been commenced under the Municipal Tax Sales Act Part XI, Sale of Land for Tax Arrears, Municipal Act 2001. Subsequent additional levies for the current year or prior years under the provisions of the Assessment Act, the Municipal Act or other statutes, including those resulting from outstanding assessment and tax appeals, are not included.

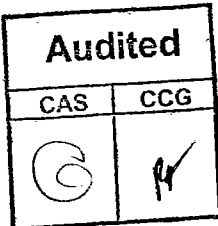
For Treasurer:



# Tab U

THIS IS **EXHIBIT U** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

\_\_\_\_\_  
A COMMISSIONER FOR TAKING AFFIDAVITS



To: The Toronto-Dominion Bank

WHEREAS you have opened or are about to open an account with

2012241 ONTARIO LIMITED

Do not insert address or occupation if customer is a corporation, partnership or proprietorship.

Address Occupation

(hereinafter) called the "Customer") and as a condition of continuing to deal with the Customer or opening such account you have demanded security as hereunder written.

NOW THEREFORE, in consideration of the premises and of your opening such account or continuing to deal with the Customer either continuously or intermittently so long as you may see fit and of such advances as you make to the Customer or others who may discount with you the paper of the Customer, we and each of us hereby jointly and severally guarantees the due payment and discharge of the indebtedness and liability to you of the Customer howsoever incurred including without limitation thereto the repayment of all moneys advanced or which may be advanced by you to the Customer or to others on the faith of the paper of the Customer and all liabilities direct or indirect to which you may become subject as a result of making advances to or dealing with the Customer and also payment of all moneys which are now or shall at any time or from time to time hereafter become due or owing from the Customer to you on the general balance of account or for which the Customer now is or shall at any time hereafter become liable to you either directly or indirectly, whether matured or not, whether alone or jointly with others, and whether as principal or surety and whether absolute or contingent, and all interest, commission, costs, charges and expenses which may be incurred in respect of such advances or liabilities or any securities therefor

For a limited amount, insert-provided that no sum in excess of \_\_\_\_\_ Dollars together with interest at the rate(s) payable by the Customer accruing from date of demand on the undersigned shall be recoverable hereunder.

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AND EACH PARTY who signs this agreement of guarantee declares that:

(1) Regardless of whether or not any proposed guarantor or any other person or persons has or have executed or shall execute this agreement or guarantee or is or are or shall become in any other way responsible to you for or in respect of the indebtedness and liability hereby guaranteed or any part thereof and regardless of whether or not any other person or persons now or hereafter responsible to you for the indebtedness and liability hereby guaranteed or any part thereof whether under this guarantee or otherwise shall cease to be so liable, this guarantee shall be a CONTINUING GUARANTEE and shall be operative and binding notwithstanding that at any time or times the Customer's account with you may be closed or any payments from time to time made to you or any settlements of account effected or any other thing whatsoever done, suffered or permitted and that this guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of this guarantee as to one or more of the undersigned or by the death or loss or diminution of capacity of the Customer or by the death or loss or diminution of capacity of any person or persons who has or have executed or shall execute this guarantee or who is or are or shall become responsible in any way for the liabilities hereby guaranteed or any part thereof or by any change in the name, business, membership, directorate, powers, objects, organization or management of the Customer, it being understood that where the Customer is a partnership or corporation this guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of the corporate Customer and notwithstanding any re-organization of the corporate Customer or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others. Provided, however, that no person executing this guarantee shall be liable to you hereunder for any moneys advanced to the Customer or to others on the faith of the paper of the Customer (except for the indebtedness and liability of the Customer to you arising out of requirements of the Customer based on agreements express or implied made prior to the receipt by you of the notice in writing hereinafter mentioned) after he or his executors or administrators shall have given to you notice in writing of his or their unwillingness to be liable for moneys thereafter advanced.

(2) Upon this guarantee bearing his signature coming to your hands or of any officer, agent or employee of yours the same shall be deemed to be finally executed and delivered by him and shall not be subject to or affected by any promise or condition affecting or limiting his liability except as set forth herein and no statement, representation, agreement or promise on your part or any officer, employee or agent of yours unless contained herein forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect his liability hereunder.

(3) No alteration or waiver of this guarantee or of any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of a Vice President of yours.

(4) You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) from time to time to take such further or other security or securities for the indebtedness and liability hereby guaranteed or any part thereof as you may deem proper, and/or release, discharge, abandon or otherwise deal with or fail to deal with any of us or others or any such security or securities or any part



thereof or with any security (or any part thereof) now held or deal with or allow any of us or others to deal with the goods or property covered thereby all as you may consider expedient or appropriate. Without limiting the generality of the foregoing or of clause (5) hereof, it is understood that you may, without exonerating any or all of us, give up or modify or abstain from perfecting or taking advantage of any such securities and accept or make any compositions or arrangements, and realize any such securities when, and in such manner and with or without notice as you may deem expedient. Neither you nor any of your directors, officers, employees or agents shall be responsible in negligence for any act taken or omitted to be taken by you or any of them hereunder or in connection with any such securities.

(5) You may from time to time grant to the Customer or to any person or persons liable to you for the indebtedness and liability hereby guaranteed, or any part thereof, or in respect of any bill of exchange, promissory note, guarantee, undertaking or any instrument, paper or document now or hereafter representing said indebtedness and liability or any part thereof, time for payment or any other indulgence and may compound with all or any of such persons as you shall see fit, all without in any way prejudicing or affecting any of your rights hereunder.

(6) You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or moneys received to any portion of the indebtedness and liability hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

(7) You may, without demand or notice of any kind, at any time when any amount shall be due and payable hereunder by any of us appropriate and apply to any portion of the indebtedness and liability hereby guaranteed, and in such order of application as you may from time to time elect, any property, balances, credits, accounts or moneys of any of us in your possession or control for any purpose.

(8) Where the Customer is a corporation or partnership or any entity you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf and moneys, advances, renewals or credits in fact borrowed or obtained from you in the professed exercise of such powers shall be deemed to form part of the indebtedness and liability hereby guaranteed even though the borrowing or obtaining of such moneys, advances, renewals or credits was irregularly, fraudulently, defectively or informally effected or in excess of the powers of the Customer or of the directors, partners or agents thereof and notwithstanding that you have specific notice of the powers of the Customer or the directors, partners or agents thereof.

(9) The statement in writing of the Manager or acting Manager at the time such statement is given of your Branch where the Customer's account is kept from time to time of the indebtedness or liability of the Customer to you shall be binding and conclusive upon each of us, and all right to question in any way your present or future method of dealing with the Customer or any dealing with any person or persons now or hereafter liable to you for the moneys and the indebtedness and liability hereby guaranteed or any part thereof or with any securities now or hereafter held by you or with any goods or property covered by such securities or any of them is hereby waived. Each of us hereby renounces all benefits of discussion and division, and you shall not be bound to exhaust your recourse against the Customer or other person or persons or the securities you may hold, nor to value such securities before requiring or being entitled to payment from us or any of us.

(10) All debts and liabilities present and future of the Customer to us or any of us are hereby assigned to you and postponed to the present and future indebtedness and liability of the Customer to you, and all moneys received from the Customer or for his account by any of us or our representatives or assigns shall be by him or them received in trust for you and forthwith upon receipt paid over to you until the Customer's indebtedness and liability to you are fully paid and satisfied all without prejudice to and without in any way limiting or lessening the liability of us to you under this guarantee.

(11) Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or guarantor for any indebtedness or liability of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the liability to you of any party hereto and until all indebtedness and liability of the Customer to you have been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by any of us to you under this guarantee and to prove and rank for and receive dividends in respect to such claim, any and all right to prove and rank for such sums paid by us and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you.

(12) Each of us hereby expressly waives: (a) notice of the existence or creation of all or any of the indebtedness and liability hereby guaranteed, (b) presentment, demand, notice of dishonor, protest, and all other notices whatsoever, and (c) all diligence in collection or protection of or realization upon the indebtedness and liability or any part thereof, any obligation hereunder, or any security for any of the foregoing.

(13) You may, without notice of any kind, sell, assign or transfer all or any of the indebtedness and liability hereby guaranteed, and in such event each and every immediate and successive assignee, transferee, or holder of all or any of the indebtedness and liability, shall have the right to enforce this guarantee, by suit or otherwise, for the benefit of such assignee, transferee or holder, as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers and benefits, but you shall have an unimpaired right, prior and superior to that of any such assignee, transferee or holder, to enforce this guarantee for your benefit, as to so much of the indebtedness and liability as you have not sold, assigned or transferred.

(14) No delay on your part in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by you of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action of yours permitted hereunder shall in any way impair or affect this guarantee. For the purposes of this guarantee, the indebtedness and liability shall include all obligations of the Customer to you, notwithstanding any right or power of the Customer or any one else to assert any claim or defense.

respecting the invalidity or unenforceability of any such obligation, and no such claim or defense respecting the invalidity or unenforceability of any such obligation, and no such claim or defense shall impair or affect the obligations of each of us hereunder.

(15) The liability of any of us under any other guarantee or guarantees executed by any of the undersigned and given to you in connection with the account of the Customer shall not be affected by this guarantee; nor shall this guarantee affect or be affected by the endorsement by any of us of any note or notes of the Customer; the intention being that the liability of any of us under such other guarantee or guarantees and this guarantee, and under such other note or notes and this guarantee, shall be cumulative and shall be and remain in full force and effect.

(16) This guarantee shall be jointly and severally binding upon us (if more than one), and upon our heirs, legal representatives, successors and assigns.

(17) Each of us executing this guarantee shall be held and bound to you directly as principal debtor in respect of the payment of the amounts hereby guaranteed. Any notice or demand which you may wish to give may be served on any or all of us or his or their legal personal representatives either personally or by sending the same by ordinary mail in an envelope addressed to the last known place of address of the person to be served, and the notice so sent shall be deemed to be served on the day following that on which it is mailed.

(18) This guarantee shall be construed in accordance with the laws of the Province of (1) ONTARIO and in any action thereon we or any of us shall be estopped from denying the same; any judgement recovered in the Courts of such Province against any of us or his personal representatives shall be binding on him and on them.

(1) Insert Province where Customer's account is kept.

(19) Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine gender and any word importing a person shall include a corporation and a partnership firm and any entity.

(20) In this guarantee where the context so admits any reference to "you", "your" or "yours" includes successors and assigns and any entity with which you may amalgamate.

Each of the undersigned acknowledges receipt of a copy of the within guarantee.

Dated at Toronto this 10 day of September August, 2008  
(month) (year)

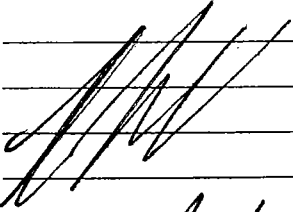
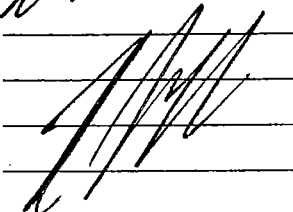
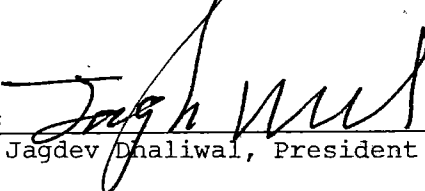

**Note:** Unless otherwise stipulated herein this guarantee is a CONTINUING GUARANTEE for existing and future indebtedness and liability of the Customer to the Bank, and this guarantee is not confined to any particular indebtedness or liability of the Customer to the Bank.

WITNESS the respective hands and seals of the parties executing this guarantee.

**Signed, Sealed and Delivered**

in the presence of

**Signature and Seal**

	1611161 ONTARIO LIMITED (Seal)
	Per:  Jagdev Dhaliwal, President (Seal)
	Per:  Sandeep Chahal, Secretary (Seal)
	(Seal)
	(Seal)
	(Seal)

# Tab V

THIS IS **EXHIBIT V** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

\_\_\_\_\_  
A COMMISSIONER FOR TAKING AFFIDAVITS

Audited	
CAS	CCG

To: The Toronto-Dominion Bank

WHEREAS you have opened or are about to open an account with

2012241 ONTARIO LIMITED

Do not insert address or occupation if customer is a corporation, partnership or proprietorship.

Address Occupation

(hereinafter called the "Customer") and as a condition of continuing to deal with the Customer or opening such account you have demanded security as hereunder written.

NOW THEREFORE, in consideration of the premises and of your opening such account or continuing to deal with the Customer either continuously or intermittently so long as you may see fit and of such advances as you make to the Customer or others who may discount with you the paper of the Customer, we and each of us hereby jointly and severally guarantees the due payment and discharge of the indebtedness and liability to you of the Customer howsoever incurred including without limitation thereto the repayment of all moneys advanced or which may be advanced by you to the Customer or to others on the faith of the paper of the Customer and all liabilities direct or indirect to which you may become subject as a result of making advances to or dealing with the Customer and also payment of all moneys which are now or shall at any time or from time to time hereafter become due or owing from the Customer to you on the general balance of account or for which the Customer now is or shall at any time hereafter become liable to you either directly or indirectly, whether matured or not, whether alone or jointly with others, and whether as principal or surety and whether absolute or contingent, and all interest, commission, costs, charges and expenses which may be incurred in respect of such advances or liabilities or any securities therefor

For a limited amount, insert-provided that no sum in excess of \_\_\_\_\_ Dollars together with interest at the rate(s) payable by the Customer accruing from date of demand on the undersigned shall be recoverable hereunder.

PROVIDED THAT NO SUM IN EXCESS OF FOUR MILLION DOLLARS (\$4,000,000.00) TOGETHER WITH INTEREST AT THE RATE(S) PAYABLE BY THE CUSTOMER ACCRUING FROM DATE OF DEMAND ON THE UNDERSIGNED SHALL BE RECOVERABLE HEREUNDER.

AND EACH PARTY who signs this agreement of guarantee declares that:

(1) Regardless of whether or not any proposed guarantor or any other person or persons has or have executed or shall execute this agreement or guarantee or is or are or shall become in any other way responsible to you for or in respect of the indebtedness and liability hereby guaranteed or any part thereof and regardless of whether or not any other person or persons now or hereafter responsible to you for the indebtedness and liability hereby guaranteed or any part thereof whether under this guarantee or otherwise shall cease to be so liable, this guarantee shall be a CONTINUING GUARANTEE and shall be operative and binding notwithstanding that at any time or times the Customer's account with you may be closed or any payments from time to time made to you or any settlements of account effected or any other thing whatsoever done, suffered or permitted and that this guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of this guarantee as to one or more of the undersigned or by the death or loss or diminution of capacity of the Customer or by the death or loss or diminution of capacity of any person or persons who has or have executed or shall execute this guarantee or who is or are or shall become responsible in any way for the liabilities hereby guaranteed or any part thereof or by any change in the name, business, membership, directorate, powers, objects, organization or management of the Customer, it being understood that where the Customer is a partnership or corporation this guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of the corporate Customer and notwithstanding any re-organization of the corporate Customer or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others. Provided, however, that no person executing this guarantee shall be liable to you hereunder for any moneys advanced to the Customer or to others on the faith of the paper of the Customer (except for the indebtedness and liability of the Customer to you arising out of requirements of the Customer based on agreements express or implied made prior to the receipt by you of the notice in writing hereinafter mentioned) after he or his executors or administrators shall have given to you notice in writing of his or their unwillingness to be liable for moneys thereafter advanced.

(2) Upon this guarantee bearing his signature coming to your hands or of any officer, agent or employee of yours the same shall be deemed to be finally executed and delivered by him and shall not be subject to or affected by any promise or condition affecting or limiting his liability except as set forth herein and no statement, representation, agreement or promise on your part or any officer, employee or agent of yours unless contained herein forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect his liability hereunder.

(3) No alteration or waiver of this guarantee or of any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of a Vice-President of yours.

(4) You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) from time to time to take such further or other security or securities for the indebtedness and liability hereby guaranteed or any part thereof as you may deem proper, and/or release, discharge, abandon or otherwise deal with or fail to deal with any of us or others or any such security or securities or any part

thereof or with any security (or any part thereof) now held or deal with or allow any of us or others to deal with the goods or property covered thereby all as you may consider expedient or appropriate. Without limiting the generality of the foregoing or of clause (5) hereof, it is understood that you may, without exonerating any or all of us, give up or modify or abstain from perfecting or taking advantage of any such securities and accept or make any compositions or arrangements, and realize any such securities when, and in such manner and with or without notice as you may deem expedient. Neither you nor any of your directors, officers, employees or agents shall be responsible in negligence for any act taken or omitted to be taken by you or any of them hereunder or in connection with any such securities.

(5) You may from time to time grant to the Customer or to any person or persons liable to you for the indebtedness and liability hereby guaranteed, or any part thereof, or in respect of any bill of exchange, promissory note, guarantee, undertaking or any instrument, paper or document now or hereafter representing said indebtedness and liability or any part thereof, time for payment or any other indulgence and may compound with all or any of such persons as you shall see fit, all without in any way prejudicing or affecting any of your rights hereunder.

(6) You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or moneys received to any portion of the indebtedness and liability hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

(7) You may, without demand or notice of any kind, at any time when any amount shall be due and payable hereunder by any of us appropriate and apply to any portion of the indebtedness and liability hereby guaranteed, and in such order of application as you may from time to time elect, any property, balances, credits, accounts or moneys of any of us in your possession or control for any purpose.

(8) Where the Customer is a corporation or partnership or any entity you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf and moneys, advances, renewals or credits in fact borrowed or obtained from you in the professed exercise of such powers shall be deemed to form part of the indebtedness and liability hereby guaranteed even though the borrowing or obtaining of such moneys, advances, renewals or credits was irregularly, fraudulently, defectively or informally effected or in excess of the powers of the Customer or of the directors, partners or agents thereof and notwithstanding that you have specific notice of the powers of the Customer or the directors, partners or agents thereof.

(9) The statement in writing of the Manager or acting Manager at the time such statement is given of your Branch where the Customer's account is kept from time to time of the indebtedness or liability of the Customer to you shall be binding and conclusive upon each of us, and all right to question in any way your present or future method of dealing with the Customer or any dealing with any person or persons now or hereafter liable to you for the moneys and the indebtedness and liability hereby guaranteed or any part thereof or with any securities now or hereafter held by you or with any goods or property covered by such securities or any of them is hereby waived. Each of us hereby renounces all benefits of discussion and division, and you shall not be bound to exhaust your recourse against the Customer or other person or persons or the securities you may hold, nor to value such securities before requiring or being entitled to payment from us or any of us.

(10) All debts and liabilities present and future of the Customer to us or any of us are hereby assigned to you and postponed to the present and future indebtedness and liability of the Customer to you, and all moneys received from the Customer or for his account by any of us or our representatives or assigns shall be by him or them received in trust for you and forthwith upon receipt paid over to you until the Customer's indebtedness and liability to you are fully paid and satisfied all without prejudice to and without in any way limiting or lessening the liability of us to you under this guarantee.

(11) Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or guarantor for any indebtedness or liability of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the liability to you of any party hereto and until all indebtedness and liability of the Customer to you have been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by any of us to you under this guarantee and to prove and rank for and receive dividends in respect to such claim, any and all right to prove and rank for such sums paid by us and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you.

(12) Each of us hereby expressly waives: (a) notice of the existence or creation of all or any of the indebtedness and liability hereby guaranteed, (b) presentment, demand, notice of dishonor, protest, and all other notices whatsoever, and (c) all diligence in collection or protection of or realization upon the indebtedness and liability or any part thereof, any obligation hereunder, or any security for any of the foregoing.

(13) You may, without notice of any kind, sell, assign or transfer all or any of the indebtedness and liability hereby guaranteed, and in such event each and every immediate and successive assignee, transferee, or holder of all or any of the indebtedness and liability, shall have the right to enforce this guarantee, by suit or otherwise, for the benefit of such assignee, transferee or holder, as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers and benefits, but you shall have an unimpaired right, prior and superior to that of any such assignee, transferee or holder, to enforce this guarantee for your benefit, as to so much of the indebtedness and liability as you have not sold, assigned or transferred.

(14) No delay on your part in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by you of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action of yours permitted hereunder shall in any way impair or affect this guarantee. For the purposes of this guarantee, the indebtedness and liability shall include all obligations of the Customer to you, notwithstanding any right or power of the Customer or any one else to assert any claim or defense

respecting the invalidity or unenforceability of any such obligation, and no such claim or defense respecting the invalidity or unenforceability of any such obligation, and no such claim or defense shall impair or affect the obligations of each of us hereunder.

(15) The liability of any of us under any other guarantee or guarantees executed by any of the undersigned and given to you in connection with the account of the Customer shall not be affected by this guarantee; nor shall this guarantee affect or be affected by the endorsement by any of us of any note or notes of the Customer; the intention being that the liability of any of us under such other guarantee or guarantees and this guarantee, and under such other note or notes and this guarantee, shall be cumulative and shall be and remain in full force and effect.

(16) This guarantee shall be jointly and severally binding upon us (if more than one), and upon our heirs, legal representatives, successors and assigns.

(17) Each of us executing this guarantee shall be held and bound to you directly as principal debtor in respect of the payment of the amounts hereby guaranteed. Any notice or demand which you may wish to give may be served on any or all of us or his or their legal personal representatives either personally or by sending the same by ordinary mail in an envelope addressed to the last known place of address of the person to be served, and the notice so sent shall be deemed to be served on the day following that on which it is mailed.

(18) This guarantee shall be construed in accordance with the laws of the Province of (1) **ONTARIO** and in any action thereon we or any of us shall be estopped from denying the same; any judgement recovered in the Courts of such Province against any of us or his personal representatives shall be binding on him and on them.

(1) Insert Province where Customer's account is kept.

(19) Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine gender and any word importing a person shall include a corporation and a partnership firm and any entity.

(20) In this guarantee where the context so admits any reference to "you", "your" or "yours" includes successors and assigns and any entity with which you may amalgamate.

Each of the undersigned acknowledges receipt of a copy of the within guarantee.

Dated at Toronto this 10 day of September, 2008  
(month) (year)

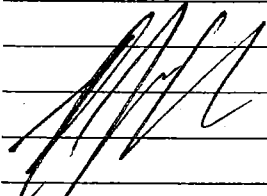
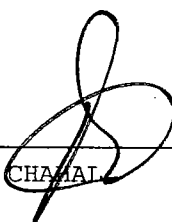
Note: Unless otherwise stipulated herein this guarantee is a CONTINUING GUARANTEE for existing and future indebtedness and liability of the Customer to the Bank, and this guarantee is not confined to any particular indebtedness or liability of the Customer to the Bank.

WITNESS the respective hands and seals of the parties executing this guarantee.

**Signed, Sealed and Delivered**

in the presence of

Signature and Seal

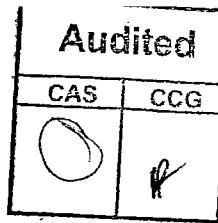
	
RAVINDER SINGH CHANAI	 (Seal)
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# Tab W



THIS IS **EXHIBIT W** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS 10<sup>th</sup> DAY OF  
NOVEMBER, 2011

\_\_\_\_\_  
A COMMISSIONER FOR TAKING AFFIDAVITS



To: The Toronto-Dominion Bank

WHEREAS you have opened or are about to open an account with

2012241 ONTARIO LIMITED

Do not insert address or occupation if customer is a corporation, partnership or proprietorship.

Address	Occupation
---------	------------

(hereinafter) called the "Customer") and as a condition of continuing to deal with the Customer or opening such account you have demanded security as hereunder written.

NOW THEREFORE, in consideration of the premises and of your opening such account or continuing to deal with the Customer either continuously or intermittently so long as you may see fit and of such advances as you make to the Customer or others who may discount with you the paper of the Customer, ~~we and each of us~~ hereby jointly and severally guarantees the due payment and discharge of the indebtedness and liability to you of the Customer howsoever incurred including without limitation thereto the repayment of all moneys advanced or which may be advanced by you to the Customer or to others on the faith of the paper of the Customer and all liabilities direct or indirect to which you may become subject as a result of making advances to or dealing with the Customer and also payment of all moneys which are now or shall at any time or from time to time hereafter become due or owing from the Customer to you on the general balance of account or for which the Customer now is or shall at any time hereafter become liable to you either directly or indirectly, whether matured or not, whether alone or jointly with others, and whether as principal or surety and whether absolute or contingent, and all interest, commission, costs, charges and expenses which may be incurred in respect of such advances or liabilities or any securities therefor

For a limited amount, insert-provided that no sum in excess of \_\_\_\_\_ Dollars together with interest at the rate(s) payable by the Customer accruing from date of demand on the undersigned shall be recoverable hereunder.

PROVIDED THAT NO SUM IN EXCESS OF FOUR MILLION DOLLARS (\$4,000,000.00) TOGETHER WITH INTEREST AT THE RATE(S) PAYABLE BY THE CUSTOMER ACCRUING FROM DATE OF DEMAND ON THE UNDERSIGNED SHALL BE RECOVERABLE HEREUNDER.

AND EACH PARTY who signs this agreement of guarantee declares that:

(1) Regardless of whether or not any proposed guarantor or any other person or persons has or have executed or shall execute this agreement or guarantee or is or are or shall become in any other way responsible to you for or in respect of the indebtedness and liability hereby guaranteed or any part thereof and regardless of whether or not any other person or persons now or hereafter responsible to you for the indebtedness and liability hereby guaranteed or any part thereof whether under this guarantee or otherwise shall cease to be so liable, this guarantee shall be a CONTINUING GUARANTEE and shall be operative and binding notwithstanding that at any time or times the Customer's account with you may be closed or any payments from time to time made to you or any settlements of account effected or any other thing whatsoever done, suffered or permitted and that this guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of this guarantee as to one or more of the undersigned or by the death or loss or diminution of capacity of the Customer or by the death or loss or diminution of capacity of any person or persons who has or have executed or shall execute this guarantee or who is or are or shall become responsible in any way for the liabilities hereby guaranteed or any part thereof or by any change in the name, business, membership, directorate, powers, objects, organization or management of the Customer, it being understood that where the Customer is a partnership or corporation this guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Customer, notwithstanding any change or changes in the name or membership of the Customer's firm or in the name of the corporate Customer and notwithstanding any re-organization of the corporate Customer or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others. Provided, however, that no person executing this guarantee shall be liable to you hereunder for any moneys advanced to the Customer or to others on the faith of the paper of the Customer (except for the indebtedness and liability of the Customer to you arising out of requirements of the Customer based on agreements express or implied made prior to the receipt by you of the notice in writing hereinafter mentioned) after he or his executors or administrators shall have given to you notice in writing of his or their unwillingness to be liable for moneys thereafter advanced.

(2) Upon this guarantee bearing his signature coming to your hands or of any officer, agent or employee of yours the same shall be deemed to be finally executed and delivered by him and shall not be subject to or affected by any promise or condition affecting or limiting his liability except as set forth herein and no statement, representation, agreement or promise on your part or any officer, employee or agent of yours unless contained herein forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect his liability hereunder.

(3) No alteration or waiver of this guarantee or of any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of a Vice President of yours.

(4) You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) from time to time to take such further or other security or securities for the indebtedness and liability hereby guaranteed or any part thereof as you may deem proper, and/or release, discharge, abandon or otherwise deal with or fail to deal with any of us or others or any such security or securities or any part

thereof or with any security (or any part thereof) now held or deal with or allow any of us or others to deal with the goods or property covered thereby all as you may consider expedient or appropriate. Without limiting the generality of the foregoing or of clause (5) hereof, it is understood that you may, without exonerating any or all of us, give up or modify or abstain from perfecting or taking advantage of any such securities and accept or make any compositions or arrangements, and realize any such securities when, and in such manner and with or without notice as you may deem expedient. Neither you nor any of your directors, officers, employees or agents shall be responsible in negligence for any act taken or omitted to be taken by you or any of them hereunder or in connection with any such securities.

(5) You may from time to time grant to the Customer or to any person or persons liable to you for the indebtedness and liability hereby guaranteed, or any part thereof, or in respect of any bill of exchange, promissory note, guarantee, undertaking or any instrument, paper or document now or hereafter representing said indebtedness and liability or any part thereof, time for payment or any other indulgence and may compound with all or any of such persons as you shall see fit, all without in any way prejudicing or affecting any of your rights hereunder.

(6) You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or moneys received to any portion of the indebtedness and liability hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

(7) You may, without demand or notice of any kind, at any time when any amount shall be due and payable hereunder by any of us appropriate and apply to any portion of the indebtedness and liability hereby guaranteed, and in such order of application as you may from time to time elect, any property, balances, credits, accounts or moneys of any of us in your possession or control for any purpose.

(8) Where the Customer is a corporation or partnership or any entity you shall not be concerned to see or inquire into the powers of the Customer or its directors, partners or agents acting or purporting to act on its behalf and moneys, advances, renewals or credits in fact borrowed or obtained from you in the professed exercise of such powers shall be deemed to form part of the indebtedness and liability hereby guaranteed even though the borrowing or obtaining of such moneys, advances, renewals or credits was irregularly, fraudulently, defectively or informally effected or in excess of the powers of the Customer or of the directors, partners or agents thereof and notwithstanding that you have specific notice of the powers of the Customer or the directors, partners or agents thereof.

(9) The statement in writing of the Manager or acting Manager at the time such statement is given of your Branch where the Customer's account is kept from time to time of the indebtedness or liability of the Customer to you shall be binding and conclusive upon each of us, and all right to question in any way your present or future method of dealing with the Customer or any dealing with any person or persons now or hereafter liable to you for the moneys and the indebtedness and liability hereby guaranteed or any part thereof or with any securities now or hereafter held by you or with any goods or property covered by such securities or any of them is hereby waived. Each of us hereby renounces all benefits of discussion and division, and you shall not be bound to exhaust your recourse against the Customer or other person or persons or the securities you may hold, nor to value such securities before requiring or being entitled to payment from us or any of us.

(10) All debts and liabilities present and future of the Customer to us or any of us are hereby assigned to you and postponed to the present and future indebtedness and liability of the Customer to you, and all moneys received from the Customer or for his account by any of us or our representatives or assigns shall be by him or them received in trust for you and forthwith upon receipt paid over to you until the Customer's indebtedness and liability to you are fully paid and satisfied all without prejudice to and without in any way limiting or lessening the liability of us to you under this guarantee.

(11) Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or guarantor for any indebtedness or liability of the Customer to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the liability to you of any party hereto and until all indebtedness and liability of the Customer to you have been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by any of us to you under this guarantee and to prove and rank for and receive dividends in respect to such claim, any and all right to prove and rank for such sums paid by us and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you.

(12) Each of us hereby expressly waives: (a) notice of the existence or creation of all or any of the indebtedness and liability hereby guaranteed, (b) presentment, demand, notice of dishonor, protest, and all other notices whatsoever, and (c) all diligence in collection or protection of or realization upon the indebtedness and liability or any part thereof, any obligation hereunder, or any security for any of the foregoing.

(13) You may, without notice of any kind, sell, assign or transfer all or any of the indebtedness and liability hereby guaranteed, and in such event each and every immediate and successive assignee, transferee, or holder of all or any of the indebtedness and liability, shall have the right to enforce this guarantee, by suit or otherwise, for the benefit of such assignee, transferee or holder, as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers and benefits, but you shall have an unimpaired right, prior and superior to that of any such assignee, transferee or holder, to enforce this guarantee for your benefit, as to so much of the indebtedness and liability as you have not sold, assigned or transferred.

(14) No delay on your part in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by you of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action of yours permitted hereunder shall in any way impair or affect this guarantee. For the purposes of this guarantee, the indebtedness and liability shall include all obligations of the Customer to you, notwithstanding any right or power of the Customer or any one else to assert any claim or defense



# **Tab X**

THIS IS **EXHIBIT X** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

Audited	
CAS	CCG
S	W

Assignment of Term Deposits  
and Credit Balances

To: The Toronto-Dominion Bank and its subsidiaries, (including TD Mortgage Corporation and TD Pacific Mortgage Corporation) ("TD")

In Consideration of advances heretofore, now or hereafter made to

the Undersigned and/or to \_\_\_\_\_  
(hereinafter called the Customer), the Undersigned hereby assigns, transfers and sets over to The Toronto-Dominion Bank (the "Bank") to the extent of \_\_\_\_\_

FIVE HUNDRED THOUSAND DOLLARS (\$ 500,000.00 ) Dollars

all monies which are now or may hereafter be from time to time at the credit of the Undersigned with TD at the Mississauga Real Estate Group, 20 Milverton Drive, 2nd Floor, Mississauga, Ontario L5R 3G2 Branch of the Bank, Which monies shall include any amount and interest thereon due or accruing due to the undersigned pursuant to any term deposit instrument of TD, and TD is hereby authorized to hold such monies as a continuing collateral security for the payment of the present and future indebtedness and / or liability, direct or indirect, by way of guarantee or otherwise, and however arising, and any ultimate unpaid balance thereof, of the Undersigned and / or of the Customer to the Bank; and TD is hereby authorized to refuse to honour any cheques or orders for the payment of money which the Bank may consider would impair the value of this Assignment. The Undersigned further authorizes TD to charge against any monies herein assigned any indebtedness and / or liability hereby secured as the same may become due and payable.

It is understood that if TD permits the Undersigned to make withdrawals from any such monies at the credit of the Undersigned, such permission shall be without prejudice to the rights hereby conferred upon the Bank to hold such monies as security as aforesaid or to charge against the same any indebtedness and / or liability hereby secured and is not to be construed as a waiver by the Bank of such rights.

The Bank may grant extensions of time or any other indulgence, take and give up security, accept compositions, grant releases and discharges, and otherwise deal with the Customer and with other parties and securities as the Bank may see fit without prejudice to the indebtedness and / or liability of the Undersigned to the Bank or to the Bank's rights to hold or deal with the said monies herein assigned. The authority hereby given shall not be revoked by the death of the Undersigned and in the event of the death of the Undersigned you are hereby authorized to pay from the monies herein assigned the indebtedness and / or liability of the Undersigned and / or the Customer to the Bank whether such indebtedness and / or liability has become due and payable or not.

This assignment shall be binding upon the heirs, executors, administrators and assigns of the Undersigned.  
The Undersigned acknowledges receiving a copy of this assignment.

Dated at Toronto this 10 day of August 2008.

Company Name: 201241 ONTARIO LIMITED

Signature Jagdev Dhalival

Title: President

Signature Ravinder Singh Chahal

Title: Secretary

# Tab Y



THIS IS **EXHIBIT Y** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS

Branch \_\_\_\_\_

THE UNDERSIGNED, having deposited with or transferred to The Toronto-Dominion Bank (the "Bank") or one or more officers thereof in trust, or to any nominee or nominees of the Bank, the security or securities, listed hereunder and/or on the reverse hereof:

Par Value of Bond	or	Number of Shares	SECURITY	Maturity of Bond or Class of Stock
			ALL COMMERCIAL PAPER, TREASURY BILLS, BANKER'S ACCEPTANCES, GIC'S, TERM DEPOSITS NOW OR HEREAFTER OWNED BY THE UNDERSIGNED OR RENEWAL(S) THEREOF, INCLUDING ACCRUED INTEREST THEREON.	

In consideration of the sum of one dollar the receipt whereof is hereby acknowledged and of any loans or advances heretofore now or hereafter made by the Bank to the undersigned or at the request of the undersigned:

The undersigned agree/s that the said security or securities together with all other securities heretofore or hereafter deposited with or transferred to the Bank by the undersigned including any security which the Bank may allow to be substituted therefor or for any part thereof and any other securities held by the Bank being the property of the undersigned, together with all dividends and interest thereon (all of which are herein referred to as the "Security") shall be held by the Bank as continuing collateral security for the payment of the said loans and advances together with interest thereon at the rate provided in any instrument evidencing the indebtedness or at the rate agreed upon otherwise at the legal rate, as well after as before maturity and after as well as before default at the counter of the above-mentioned Branch of the Bank, all of which said loans, advances and interest the undersigned agrees to pay without any presentation of this document or protest for non-payment being required which are hereby expressly waived, and of all liabilities to the Bank of the undersigned and of any firm or partnership in which the undersigned is interested, direct or indirect, whether by way of guarantee or otherwise and due or to become due and whether heretofore now or hereafter contracted or incurred and interest and including all costs, charges and expenses incurred in connection therewith (all of which are hereinafter referred to as the "liabilities") and the undersigned agree/s to deliver to the Bank additional security when required by the Bank. The Bank is hereby authorized on default, or without default and without demand of payment if in the opinion of the Bank or any officer thereof the Security is depreciated or liable to be depreciated, or on the insolvency of the undersigned, and without notice to the undersigned and as and when and if the Bank shall think proper to sell the Security or any part thereof and to apply the proceeds in reduction of the liabilities as the Bank may see fit without prejudice to its claim for any deficiency. At any such sale the Bank itself may purchase the whole or any part of the Security sold free from any right of redemption on the part of the undersigned which is hereby waived and released the undersigned hereby expressly waiving all and every formality prescribed by law in relation to any such sale and authorizing the Bank or any of its officers or any nominee or nominees of the Bank as attorney irrevocable with power of substitution for and in the name of the undersigned to sign and seal all documents and to fill in all blanks in signed powers of attorney and transfers necessary in order to complete the transfer of the Security to the Bank or any one or more of its officers, or any nominee or nominees of the Bank, or any purchaser. Should the Security consist in whole or in part of shares or share warrants of a Company this hypothecation shall entitle the Bank, or any of its officers, or any nominee or nominees of the Bank, either before or after default in payment of the liabilities and without notice or demand of any kind, to cause any or all of such shares and/or any or all of the shares represented by such share warrants to be transferred on the books of the Company to the Bank, or any one or more of its officers, or any nominee or nominees of the Bank and shall entitle it, him or them at its, his or their option, to represent the same at any meeting of the Company and to vote thereon.

The Undersigned acknowledges and agrees that it is the Undersigned's responsibility to inform himself or herself in a timely fashion of the commencement of any take over bids, issuer bids, rights offerings and other events notice of which is required by securities legislation to be delivered, and that it is the Undersigned's responsibility to inform himself or herself as to how materials may be obtained. The Undersigned acknowledges and agrees that the Bank has no obligations with respect to the Security under *National Policy No. 41* or otherwise, and that the actual giving of any notice by the Bank from time to time with respect to the Security shall not give rise to a reasonable expectation that any similar notice will be given in the future nor shall it give rise to any obligation of the Bank to give such notice.

Dated at Toronto this 10 day of August 2008  
(month) (year)

SIGNED, SEALED AND DELIVERED  
 in the presence of  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2012241 ONTARIO LIMITED  
 Per:   
 Jagdey Dhaliwal, President  
 Per:   
 Ravinder Singh Chahal, Secretary

We have authority to bind the Corporation.  
 General Hypothecation of Stocks and Bonds (Seal)

# Tab Z

THIS IS **EXHIBIT Z** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS *10<sup>th</sup>* DAY OF  
NOVEMBER, 2011

\_\_\_\_\_  
A COMMISSIONER FOR TAKING AFFIDAVITS

LRO # 43 Construction Lien

Registered as PR1982084 on 2011 03 30 at 16:32

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

yyyy mm dd Page 1 of 1

**Properties**

**PIN** 14223 - 0956 LT  
**Description** PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145. CITY OF BRAMPTON  
**Address** 50 SUNNY MEADOW BOULEVARD  
 BRAMPTON

**Consideration**

**Consideration** \$383,398.93

**Claimant(s)**

**Name** VERSA CONSTRUCTION LIMITED  
**Address for Service** 69 Maplecrete Road  
 Vaughan, Ontario  
 L4K 1A5  
 solicitor  
 Berkow Cohen LLP  
 141 Adelaide Street West, Suite 400  
 Toronto, Ontario, M5H 3L5

I, Matthew Montanaro, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, Matthew Montanaro, have the authority to bind the corporation.

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

**Statements**

Name and Address of Owner 2012241 ONTARIO LIMITED @ 50 Sunny Meadow Blvd., Brampton, Ontario L6R 0Y7 Name and address of person to whom lien claimant supplied services or materials 2012241 ONTARIO LIMITED @ 97 Sunforest Drive, Brampton, Ontario L6Z 3Y5

Time within which services or materials were supplied from 2008/08/25 to 2011/03/19 Short description of services or materials that have been supplied The supply of materials and labour in relation to the construction of a three story medical centre building. Contract price or subcontract price \$8,926,810.76 (plus HST) Amount claimed as owing in respect of services or materials that have been supplied 383,398.93 (including HST)

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

**Signed By**

Peter Currie 64 Rusholme Rd. acting for Signed 2011 03 25  
 Toronto Applicant(s)  
 M6J 3H6

Tel 4165931301  
 Fax 4165934734

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

**Submitted By**

711219 ONTARIO LIMITED 64 Rusholme Rd. 2011 03 30  
 Toronto  
 M6J 3H6

Tel 4165931301  
 Fax 4165934734

**Fees/Taxes/Payment**

**Statutory Registration Fee** \$60.00  
**Total Paid** \$60.00



*PERFECT  
COPY*

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

**Properties**

*PIN* 14223 - 0956 LT  
*Description* PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902.  
S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND  
THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS,  
DES AS PT 7, PL 43R21902 AS IN LT1615145. CITY OF BRAMPTON  
*Address* 50 SUNNY MEADOW BOULEVARD  
BRAMPTON

**Party From(s)**

*Name* VERSA CONSTRUCTION LIMITED  
*Address for Service* c/o BERKOW, COHEN LLP  
Barristers  
141 Adelaide Street West  
Suite 400 Toronto, Ontario M5H 3L5

I, Matthew Montanaro, have the authority to bind the corporation.  
This document is not authorized under Power of Attorney by this party.

**Statements**

This document relates to registration no.(s)PR1982084  
Schedule: See Schedules

**Signed By**

Peter Currie 64 Rusholme Rd. acting for Party Signed 2011 05 16  
Toronto From(s)  
M6J 3H6

Tel 4165931301  
Fax 4165934734

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

**Submitted By**

711219 ONTARIO LIMITED 64 Rusholme Rd. 2011 05 16  
Toronto  
M6J 3H6

Tel 4165931301  
Fax 4165934734

**Fees/Taxes/Payment**

*Statutory Registration Fee* \$60.00  
*Total Paid* \$60.00

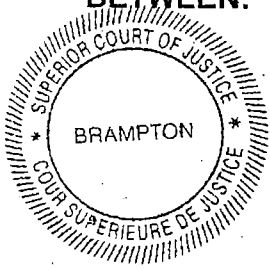
Court File No.

CV-11-2072-00

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE CONSTRUCTION LIEN ACT,  
R.S.O. 1990, c. C. 30, as amended**

**BETWEEN:**



**VERSA CONSTRUCTION LIMITED**

Plaintiffs

- and -

**2012241 ONTARIO LIMITED, RAVINDER CHAHAL  
and TORONTO DOMINION BANK**

Defendants

**CERTIFICATE OF ACTION**

I certify that an action has been commenced in the Ontario Superior Court of Justice under the *Construction Lien Act*, R.S.O. 1990 between the above-referenced parties in respect of the premises described in Schedule A to this Certificate, and relating to the Claim for Lien bearing the following registration number:

PR1982084

Date: *May 13, 2011*

*Simon E. Elliott*  
\_\_\_\_\_  
(Registrar or local Registrar)

Ontario Superior Court of Justice  
7755 Hurontario Street  
Suite 100  
Brampton, Ontario  
L6W 4T6



**SCHEDULE "A"**

**PIN: 14223-0956 LT**

**PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145. CITY OF BRAMPTON**

**ADDRESS: 50 SUNNY MEADOW BLVD.  
BRAMPTON, ONTARIO  
L6R 0Y7**

**VERSA CONSTRUCTION LIMITED**

Plaintiffs

**2012241 ONTARIO LIMITED et al.**

Defendants

Court File No.

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at  
**BRAMPTON**

---

**CERTIFICATE OF ACTION**

---

**BERKOW, COHEN LLP**  
Barristers  
141 Adelaide Street West  
Suite 400  
Toronto, Ontario  
M5H 3L5

**JACK B. BERKOW**  
LSUC #15063 O

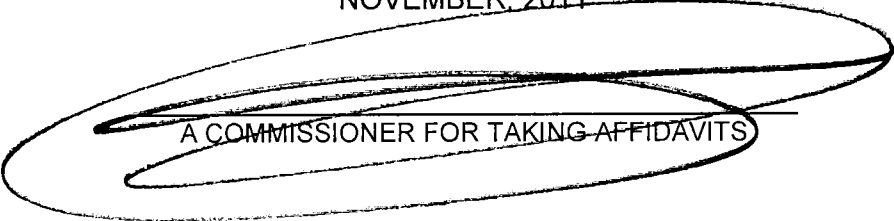
**ANGELA H. HEWKO**  
LSUC #51121 U

Solicitors for the Plaintiff  
tel: (416) 364-4900  
fax: (416) 364-3865

f:\110127\pleadings\certificateofaction.doc

Tab AA

THIS IS **EXHIBIT AA** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS 10<sup>th</sup> DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS

**MALCOLM, Kenneth**

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**From:** MALCOLM, Kenneth

**Sent:** Friday, October 07, 2011 10:31 AM

**To:** 'ravi@chahalwilshire.com'

**Subject:** 2012241 Ontario Ltd. - Ravi - Please call me when you get this. Extremely important.

Kenneth J. Malcolm | Senior Manager Commercial Credit | Financial Restructuring Group | TD Business Banking  
3140 Dufferin Street, Toronto, Ontario M6A 2T1  
T: 416 785 5108 F: 416 785 5068

Tab BB

THIS IS **EXHIBIT BB** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS

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**From:** ravi chahal [mailto:ravi@chahalwilshire.com]

**Sent:** Wednesday, October 12, 2011 2:19 PM

**To:** MALCOLM, Kenneth

**Subject:** Re: 2012241 Ontario Ltd. - Ravi - Please call me when you get this. Extremely important.

Malcolm, how you had a great weekend, can you please forward the breakdown for the funds I have to pay off this Friday, need to provide to our accountant and thank you!!!!



Tab CC

THIS IS **EXHIBIT CC** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

**From:** MALCOLM, Kenneth  
**Sent:** Wednesday, October 12, 2011 3:33 PM  
**To:** 'ravi chahal'  
**Cc:** Dinino, Frank; Zamanis, Dennis  
**Subject:** RE: 2012241 Ontario Ltd. - Ravi - Please call me when you get this. Extremely important.

We require \$285,000 payable to the Toronto-Dominion Bank.

This rounded amount includes the follow up to October 20, 2011:

		<u>Rounded*</u>
Overdraft	\$73,491.02	
Interest Due	<u>\$ 887.88</u>	
Total	\$74,378.90	\$ 74,000

Demand Loan

Interest Aug / Sept	\$ 98,644.16	
Oct to Oct. 20/2011	<u>\$ 47,731.19</u>	
Total	\$146,375.35	\$147,000

Monthly Letter of Credit fees	\$ 228.43	<u>\$ 1,000</u>
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Contingency		\$ 3,000
Negotiated Default Fee Due June 30, 2011	\$ 60,000.00	<u>\$ 60,000</u>

<b>Total</b>		<b>\$285,000*</b>
--------------	--	-------------------

\* Includes contingencies

Any questions please call.  
Please insure the funds are available for Friday October 14, 2011.

Kenneth J. Malcolm | Senior Manager Commercial Credit | Financial Restructuring Group | TD Business Banking  
3140 Dufferin Street, Toronto, Ontario M6A 2T1  
T: 416 785 5108 F: 416 785 5068

Tab DD

THIS IS EXHIBIT DD REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS 10<sup>th</sup> DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

</  
> On Tuesday, October 11, 2011, Marty Wolfe <[martin@irasmithinc.com](mailto:martin@irasmithinc.com)> wrote:

>> Ravi, attached is the engagement letter we require to be signed by you. The engagement letter outlines the scope of services that we will be performing. We can discuss any questions that you may have when we meet tomorrow.

>>

>> Marty

>>

>>

>>

>> </mail/u/0/s/?view=att&th=132f41f36793d9e7&attid=0.0.1&disp=emb&zw>

>>

>>

>>

>> MARTIN WOLFE CA

>> Senior Consultant

>>

>> 167 Applewood Cres. Suite 6, Concord, ON L4K 4K7

>>

>> P: 905.738.4167 ext.127 | C: 416..508.9748

>> F: 905.738.9848 | E: [martin@irasmithinc.com](mailto:martin@irasmithinc.com)

>> [www.irasmithinc.com](http://www.irasmithinc.com)

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>> This e-mail is intended only for the person to whom it is addressed (the "addressee") and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use that a person other than the addressee makes of this communication is prohibited and any reliance or decisions made based on it, are the responsibility of such person. We accept no responsibility for any loss or damages suffered by any person other than the addressee as a result of decisions made or actions taken based on this communication or otherwise. If you received this in error, please contact the sender and destroy all copies of this e-mail.

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167 Applewood Cres. Suite 6, Concord, ON L4K 4K7  
 Phone: 905.738.4167  
 Fax: 905.738.9848  
 irasmithinc.com

**Ira Smith**  
 Phone: 905.738.4167 ext. 111  
 Email: ira@irasmithinc.com

October 11, 2011

**DELIVERED**

2012241 Ontario Limited  
 50 Sunny Meadow Blvd  
 Brampton, ON L6R 2G6

Attention: •

**2012241 Ontario Limited (the "Company" or the "Debtor")**

**Introduction**

This letter confirms that we, Ira Smith Trustee & Receiver Inc., have been retained by you, the Company to provide the services (the "Services") set out below. This letter outlines the Services to be provided and the fees to be paid in respect of those Services.

**Our Understanding of the Current Situation**

We understand that you are the developer/builder of an approximately 53,000 sq. ft. building located at 50 Sunny Meadow Blvd., Brampton, ON, being a professional/medical office building with condominium status. We further understand that the construction is substantially complete, and although the condominium corporation has not yet been registered, prospective owners/tenants are occupying a portion of the building. The Toronto-Dominion Bank (the "Bank") has advanced the amount of \$12.5 million for the construction of the building, and such indebtedness is secured by *inter alia*, a first charge mortgage registered against the property. We further understand that the registration of the condominium corporation has been delayed.

**Scope of our Services**

You have requested that we enquire into and report to you on the following matters:

1. The Agreements of Purchase and Sale for sold condominium units, any related Amending or Extension Agreements and the reconciliation of the deposits which are being held in trust as it relates to each of the respective Agreements;
2. The status of the proposed Declaration and Description to be registered in accordance with the relevant provincial statute(s);
3. The current budget and financial operations, including amounts being collected from occupants pending registration of the condominium corporation, uses of those funds and your relationships with your creditors.
4. Your budgeted cash flow for the next six months, including the reasonableness of the underlying assumptions;
5. The alternatives available to you for the resolution of your immediate liquidity problem; and
6. Any other matters which appear to us to be relevant to your viability and your relationships with your creditors.

The Company will grant us full access to its business operations, all assets, employees, management and books and records. We will have no management responsibility or control over the Company's operations and will take no responsibility for any decisions or actions by or on the part of the Company; such responsibilities remain with the Company and its management.

#### Timetable

Our review will commence as soon as possible. Barring unforeseen circumstances, we anticipate that our report on the above matters should be completed as soon as practical. You irrevocably direct us to provide a copy of all reports to the Bank.

#### Fees

Our fees are based on the hours actually incurred by each staff member at the normal hourly rate for that individual. In addition to the fees outlined above, HST and out-of-pocket expenses will be charged.

Our standard hourly rates, by staff, are:

Mr. Ira Smith	President	\$425
Mr. Brandon Smith	Senior Vice President	\$350
Ms. Elaine Kilmer-Choi	Vice President	\$350
Mr. Martin Wolfe	Chartered Accountant	\$325
Mr. Stanley Sugar	Chartered Accountant	\$325
Ms. Cheryl Meads	Associate	\$150
Other	Technicians	\$100-\$175 (based on experience)



**Governing Law and Jurisdiction**

The contract shall be governed by and interpreted in accordance with the laws of Canada and Ontario. The Courts of Canada shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the contract and any matter arising from it.

**Other matters**

We further confirm your agreement that we may use email and the internet to communicate with you and any other party we are required to in fulfilling our duties under this mandate, and that you agree that we will not assume any risk of delivery failures, security breaches, timeliness, confidentiality breaches or the unauthorized alteration of any documents during or as a result of our using such electronic transmission.

This letter comprises the entire contract for the provision of the Services to the exclusion of any other express or implied term, whether expressed orally or in writing, including any conditions, warranties and representations and shall supersede all previous letters of engagement, undertakings, agreements and correspondence regarding the Services.

**Acknowledgement and Acceptance**

Please acknowledge your acceptance of the terms of our engagement under the contract by signing the confirmation below and returning a copy of this letter to us at the above address.

If you have any questions regarding this letter, please do not hesitate to contact us.

Yours truly

**IRA SMITH TRUSTEE & RECEIVER INC.**

Per:

Ira Smith  
President

We agree to the terms and conditions as outlined herein and the appointment of Ira Smith Trustee & Receiver Inc. It is understood and agreed that, notwithstanding this assignment, the remedies available to The Toronto-Dominion Bank remain in full force and effect. It is also agreed that Ira Smith Trustee & Receiver Inc. is not precluded from acting as Interim Receiver, Receiver or Receiver and Manager of the Company should circumstances warrant.

**2012241 ONTARIO LIMITED**

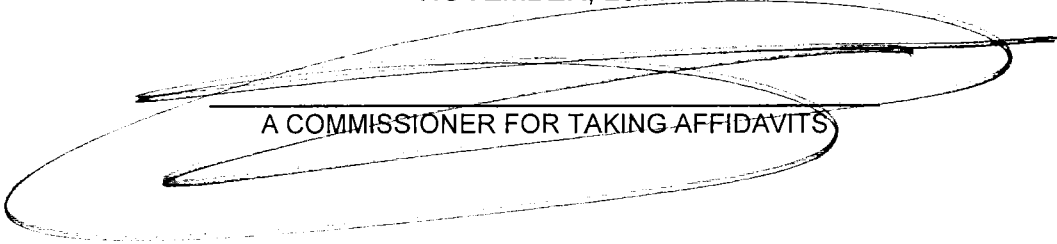
Per: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Tab EE

THIS IS **EXHIBIT EE** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS

>>>

>>>

>>> From: ravi chahal [mailto:[ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)]

>>> Sent: October-11-11 2:50 PM

>>> To: Marty Wolfe

>>> Subject: Re: Ehgagement Letter

>>>

>>>

>>>

>>> I will be forwarding it to my Lawyer and waiting for thier instructions, will contact you as soon as he has reviewed it. I guess their is no sense in meeting tomorrow untill I get my councils input.

>>>

Tab FF

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IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS 10<sup>th</sup> DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

>>  
>> On Tuesday, October 11, 2011, Marty Wolfe <[martin@irasmithinc.com](mailto:martin@irasmithinc.com)> wrote:  
>>> Ravi,  
>>>  
>>> It is of great urgency that we meet tomorrow. Please impress upon your council that time is of the essence.  
>>>  
>>> I will not cancel tomorrow's meeting as I'm certain that you should be able to get whatever input you require from your council before noon tomorrow.  
>>>  
>>> Marty  
>>>  
>>>  
>>>  
>>> </mail/u/0/s/?view=att&th=132f458bfcf1d950&attid=0.1&disp=emb&zw>  
>>>  
>> MARTIN WOLFE CA  
>> Senior Consultant  
>>  
>> 167 Applewood Cres. Suite 6, Concord, ON L4K 4K7  
>>  
>> P: 905.738.4167 ext.127 | C: 416..508.9748  
>> F: 905.738.9848 | E: [martin@irasmithinc.com](mailto:martin@irasmithinc.com)  
>> [www.irasmithinc.com](http://www.irasmithinc.com)  
>>  
>> \_\_\_\_\_  
>>  
>> This e-mail is intended only for the person to whom it is addressed (the "addressee") and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use that a person other than the addressee makes of this communication is prohibited and any reliance or decisions made based on it, are the responsibility of such person. We accept no responsibility for any loss or damages suffered by any person other than the addressee as a result of decisions made or actions taken based on this communication or otherwise. If you received this in error, please contact the sender and destroy all copies of this e-mail.  
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SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

\_\_\_\_\_  
A COMMISSIONER FOR TAKING AFFIDAVITS

>>

>>

>> From: ravi chahal [mailto:[ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)]

>> Sent: October-11-11 3:11 PM

>> To: Marty Wolfe

>> Subject: Re: Ehgagement Letter

>>

>>

>>

>> That is impossible, I have a large investment here that I have to protect and make sure all my clients interests are protected, are you trying to force yourself upon this project without our council properly instructing us? I will meet with you when my council has time and instructed us. You are to work with us not against us, and if that is your manner then we will do everything to protect ourselves, we are in our final stages ok getting off work condominium registered, we do not want to take any actions work that will jeopardize everybody's interests!!!

Tab HH

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SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011



\_\_\_\_\_  
A COMMISSIONER FOR TAKING AFFIDAVITS

>  
> On Tuesday, October 11, 2011, Marty Wolfe <[martin@irasmithinc.com](mailto:martin@irasmithinc.com)> wrote:  
>> Ravi,  
>>  
>> We certainly want to work together. In order to move forward, do you think that you would be able to sign the engagement letter by the end of the day tomorrow or at the latest noon Thursday?  
>>  
>>  
>>  
>> </mail/u/0/s/?view=att&th=132f495d6003cd6a&attid=0.1&disp=emb&zw>  
>>  
>> MARTIN WOLFE CA  
>> Senior Consultant  
>>  
>> 167 Applewood Cres. Suite 6, Concord, ON L4K 4K7  
>>  
>> P: 905.738.4167 ext.127 | C: 416..508.9748  
>> F: 905.738.9848 | E: [martin@irasmithinc.com](mailto:martin@irasmithinc.com)  
>> [www.irasmithinc.com](http://www.irasmithinc.com)  
>>  
>> \_\_\_\_\_  
>>  
>> This e-mail is intended only for the person to whom it is addressed (the "addressee") and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use that a person other than the addressee makes of this communication is prohibited and any reliance or decisions made based on it, are the responsibility of such person. We accept no responsibility for any loss or damages suffered by any person other than the addressee as a result of decisions made or actions taken based on this communication or otherwise. If you received this in error, please contact the sender and destroy all copies of this e-mail.  
>>  
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# Tab II

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SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS



**From:** ravi chahal [mailto:ravi@chahalwilshire.com]  
**Sent:** October-11-11 4:12 PM  
**To:** Marty Wolfe  
**Subject:** Re: Ehgagement Letter

And yes I think we should be good for Thursday morning

> Yes Marty I will definitely work in a diligently manner so we may get this process initiated, and look forward working with you to complete this project and thank you for your help.

Tab JJ

THIS IS **EXHIBIT JJ** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

**MALCOLM, Kenneth**

---

**From:** MALCOLM, Kenneth  
**Sent:** Thursday, October 13, 2011 8:43 AM  
**To:** 'ravi chahal'  
**Cc:** 'Marty Wolfe'; Dinino, Frank; Zamanis, Dennis  
**Subject:** FW: 2012241 Ontario Ltd. - Ravi - Please call me when you get this. Extremely important.

Please give the \$285,000 cheque to Mr. Wolfe, who I understand will be attending your office tomorrow.

Kenneth J. Malcolm | Senior Manager Commercial Credit | Financial Restructuring Group | TD Business Banking  
3140 Dufferin Street, Toronto, Ontario M6A 2T1  
T: 416-785-5108—F: 416-785-5068

NOTICE: Confidential message which may be privileged. Unauthorized use/disclosure prohibited. If received in error, please go to [www.td.com/legal](http://www.td.com/legal) for instructions.

AVIS : Message confidentiel dont le contenu peut être privilégié. Utilisation/divulgateion interdites sans permission. Si reçu par erreur, prière d'aller au [www.td.com/francais/avis\\_juridique](http://www.td.com/francais/avis_juridique) pour des instructions.

Tab KK

THIS IS EXHIBIT KK REFERRED TO  
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SWORN BEFORE ME, THIS 10<sup>th</sup> DAY OF  
NOVEMBER, 2011

\_\_\_\_\_  
A COMMISSIONER FOR TAKING AFFIDAVITS

**MALCOLM, Kenneth**

---

**From:** ravi chahal [ravi@chahalwilshire.com]  
**Sent:** Sunday, October 16, 2011 7:36 PM  
**To:** MALCOLM, Kenneth  
**Subject:** Re: 2012241 Ontario Ltd. - Ravi - Please call me when you get this. Extremely important.



Kenneth, hope you had a great weekend,

did you received the check? please deposit so we can bring our account up to date, I was jut told by Jagdev that the funds where on hold on our account till Tuesday that is why he wrote Thursday, if I would of known this I would of went to the branch myself to get the funds cleared RIGHT AWAY AS SOON AS DEPOSITED, I will go to the branch tomorrow to see if i can get it cleared, if not our checks don't bounce and it Will cleared as soon as it is deposited>

On Wed, Oct 12, 2011 at 11:19 AM, ravi chahal <ravi@chahalwilshire.com> wrote:  
Malcolm, how you had a great weekend, can you please forward the breakdown for the funds I have to pay off this Friday, need to provide to our accountant and thank you!!!!

On Fri, Oct 7, 2011 at 10:31 AM, MALCOLM, Kenneth <kenneth.malcolm@td.com> wrote:

Kenneth J. Malcolm | Senior Manager Commercial Credit | Financial Restructuring Group | TD Business Banking

3140 Dufferin Street, Toronto, Ontario M6A 2T1

T: 416 785 5108 F: 416 785 5068

NOTICE: Confidential message which may be privileged. Unauthorized use/disclosure prohibited. If received in error, please go to [www.td.com/legal](http://www.td.com/legal) for instructions.  
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Tab LL



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SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

Oct 25/11 - 10:35 AM - Insn. - advised to be returned



Ramsay Fashho  
Branch Manager  
DUCA Financial Services Credit Union Ltd.

5290 Yonge Street  
Toronto, ON M2N 5P9  
T 416.590.2397  
F 416.224.1218  
E rfashho@duca.com  
W duca.com

027

ACCOUNT NO. \_\_\_\_\_

DATE 20111020  
Y Y Y Y M M D D

PAY TO THE ORDER OF T.D BANK \$ 285,000.00 DOLLARS  Security Feature Included

Two hundred eighty five thousand

DUCA FINANCIAL SERVICES CREDIT UNION LTD.  
5290 YONGE STREET (416) 224-8502  
TORONTO, ONTARIO M2N 5P9

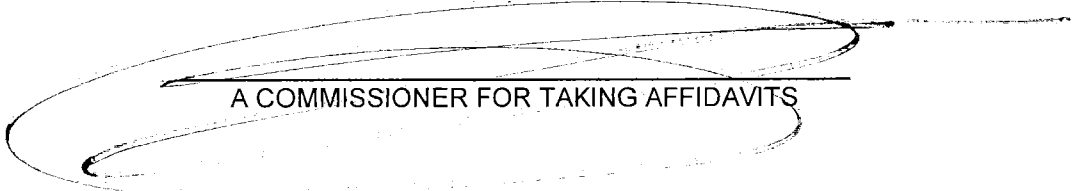
DUCA RE 2012341 ONTARIO LTD PER [Signature]

⑆ 10252 8061 212471200211

Len Presented for certification Oct 20/11 at  
9:40 AM - R refused - Advised insufficient  
Funds - Will present through the  
conventional clearing today

Tab MM


THIS IS **EXHIBIT MM** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011




A COMMISSIONER FOR TAKING AFFIDAVITS

0272

Name 2012241 ONTARIO LTD ACCOUNT NO. \_\_\_\_\_ DATE 20111020  
 Address \_\_\_\_\_ Tel. \_\_\_\_\_ Y Y Y Y M M D D  
 City/Town \_\_\_\_\_ Postal Code \_\_\_\_\_

PAY to T.D BANK \$ 285,000.00  
 the order of Two hundred eighty five thousand DOLLARS   
 100

 **DUCA** FINANCIAL SERVICES CREDIT UNION LTD.  
 5290 YONGE STREET (416) 223-8502  
 TORONTO, ONTARIO M2N 5P9

RE 2012241 ONTARIO LTD PER Jag Mund

**ITEM DISHONOURRED**

⑈10252⑈806⑈ 2124712⑈0 ⑈0028500000⑈



Returned Item Advice

SYMCOR INC-EXCEPTION PROCESSING  
1 PRINCE ANDREW PLACE  
TORONTO ON M3C 2H4

Date	page 1 of 1
Advice Number	24-Oct-2011
Deposit Account Number	2477
	71622-9006613

Your account has been charged today with 1 Unpaid Item totaling \$285,000.00

Reason for Return  
Signature(s) Required

IRX RESEARCH  
TDCT CDN ITEMS  
ITEMS STAY IN IRX DEPT

Drawn by	2012241 ONT LTD
Amount	\$285,000.00
Reason	ANC

51722 - 9003502

⑈9999⑈9999⑈ 71622⑈9006613⑈ ⑈000024770⑈

TXT 30111929  
TORONTO ONTARIO  
0100330435

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159033-0001

1070

OCT 20 2011

BACKVERSO BANK DE MONTREAL  
30111929 TORONTO ON

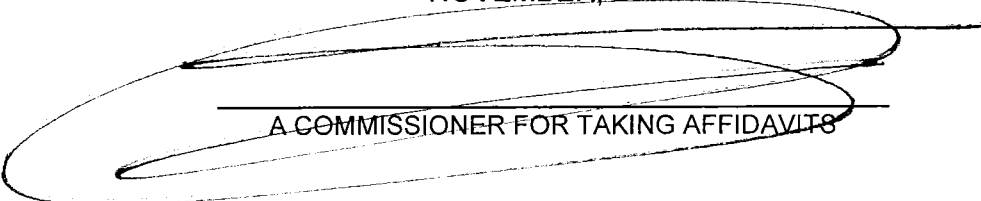
Endorsement - Signature or Stamp

326096  
17993

TD COMMERCIAL BANKING  
Financial Restructuring Group  
3140 Dufferin Street at Apex Road  
TORONTO, ONTARIO M6A 2T1  
1070

Tab NN

THIS IS **EXHIBIT NN** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS



**AIRD & BERLIS LLP**

Barristers and Solicitors

D. Robb English  
 Direct: 416.865.4748  
 E-mail: renglish@airdberlis.com

October 26, 2011

**REGISTERED & ORDINARY MAIL**

**PRIVATE & CONFIDENTIAL  
 TO BE OPENED BY ADDRESSEE ONLY**

2012241 Ontario Limited  
 470 Chrysler Drive, Unit 20  
 Brampton, ON  
 L6S 0C1

**Attention: Jagdev Dhaliwal, President**

Dear Sir:

**Re: The Toronto-Dominion Bank ("TD Bank") Loans to 2012241 Ontario Limited**

Take notice that 2012241 Ontario Limited is indebted to our client, TD Bank, for the following sums, for principal and interest as at October 26, 2011:

FACILITIES	PRINCIPAL	INTEREST	TOTAL P + I	INTEREST RATE
Demand Loan	\$12,225,883.00	\$154,330.00	\$12,380,213.84	Prime + 1 ¾%
Overdraft	\$73,723.83	\$1,057.87	\$74,781.70	21%
Letter of Credit	\$101,400.00		\$101,400.00	1%
Letter of Credit	\$172,717.00		\$172,717.00	1%
<b>Total</b>				<b>\$12,729,112.54</b>

On behalf of our client, TD Bank, we hereby make formal demand for payment. We hereby require you to pay to our client, TD Bank the said sum of \$12,729,112.54 representing the total of the above sums together with accrued interest thereon.

Should payment not be received forthwith, our client may take whatever action is deemed necessary to recover our client's funds, plus accrued interest. We enclose

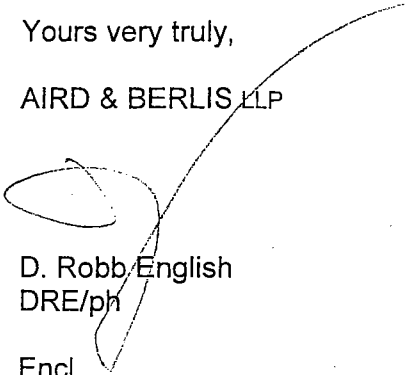
October 26, 2011  
Page 2

herewith a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, subsection 244(1).

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP

  
D. Robb English  
DRE/ph

Encl.

11252910.2

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**(Bankruptcy and Insolvency Act, Subsection 244(1))**

By Registered and Ordinary Post

TO: 2012241 Ontario Limited  
 470 Chrysler Drive, Unit 20  
 Brampton, ON  
 L6S 0C1

*an insolvent company/person*

**TAKE NOTICE that:**

1. The Toronto-Dominion Bank, a secured creditor, intends to enforce its security on the property of the insolvent company/person described below:
  - (a) all of the undertaking, property and assets, including, without limiting the generality of the foregoing, all of the intangibles, proceeds, books and records, equipment, inventory and real estate; and
  - (b) the lands described as Part Lot 11, Concession 5 East of Hurontario St., being Parts 6 and 7 on Plan 43R-21902, City of Brampton, municipally known as 50 Sunny Meadow Boulevard, Brampton;
  - (c) term deposit in the amount of \$500,000;
  - (d) commercial paper, treasury bills, bankers acceptance, GIC's and term deposits;
  
2. The security that is to be enforced is in the form of:
  - (a) a General Security Agreement dated September 10, 2008 and registered pursuant to *The Personal Property Security Act (Ontario)* on August 7, 2008 pursuant to Financing Statement No.: 20080807 0938 1862 6843.
  - (b) a Charge/Mortgage, securing the principal amount of \$12,500,000 plus interest thereon, between 2012241 Ontario Limited., as Chargor, and The Toronto-Dominion Bank, as Chargee, registered electronically in the Land Registry Office for the Land Titles Division of Regional Municipality of Peel (No. 43) on the 20<sup>th</sup> day of October, 2008, as Instrument No. PR1554408;
  - (c) an Assignment of Term Deposits and Credit Balances, dated September 10, 2008, and registered pursuant to *The Personal Property Security Act (Ontario)*;
  - (d) a General Hypothecation of Stocks and Bonds granted by 2012241 Ontario Limited dated September 10, 2008;
  
3. The total amount of indebtedness secured by the security is \$12,729,112.54 as of October 26, 2011, together with additional costs of the secured creditor, and with additional interest, details of which are as follows:

FACILITIES	PRINCIPAL	INTEREST	TOTAL P + I	INTEREST RATE
Demand Loan	\$12,225,883.00	\$154,330.00	\$12,380,213.84	Prime + 1 3/4%
Overdraft	\$73,723.83	\$1,057.87	\$74,781.70	21%
Letter of Credit	\$101,400.00		\$101,400.00	1%
Letter of Credit	\$172,717.00		\$172,717.00	1%
<b>Total</b>				<b>\$12,729,112.54</b>

4. The secured party will not have the right to enforce the security until after the expiry of the ten (10) day period following the sending of this notice, unless the insolvent company/person consents to an earlier enforcement.

DATED at Toronto this 26<sup>th</sup> day of October, 2011.

The Toronto-Dominion Bank by its  
solicitors Messrs. Aird & Berlis LLP

Per: 

---

D. Robb English  
Brookfield Place, Suite 1800  
181 Bay Street, Box 754  
Toronto, Ontario, M5J 2T9  
Tel: (416) 863-1500  
Fax: (416) 863-1515

**Note:** This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

11255602.2



Barristers and Solicitors

D. Robb English  
Direct: 416.865.4748  
E-mail: renglish@airdberlis.com

October 26, 2011

**VIA REGISTERED AND ORDINARY MAIL**

**Private & Confidential**

1611161 Ontario Limited  
31 Jewel Crescent  
Brampton, ON L6R 2P5

Attention: Jagdev Dhaliwal

Dear Sir:

**Re: The Toronto-Dominion Bank Loans to 2012241 Ontario Limited**

Take notice that 2012241 Ontario Limited, for whom you became surety under your Guarantee (unlimited) dated September 10, 2008 is indebted to our client, The Toronto-Dominion Bank, for the following sums for principal and interest as at October 26, 2011:

FACILITIES	PRINCIPAL	INTEREST	TOTAL P + I	INTEREST RATE
Demand Loan	\$12,225,883.00	\$154,330.00	\$12,380,213.84	Prime + 1 ¾%
Overdraft	\$73,723.83	\$1,057.87	\$74,781.70	21%
Letter of Credit	\$101,400.00		\$101,400.00	1%
Letter of Credit	\$172,717.00		\$172,717.00	1%
<b>Total</b>				<b>\$12,729,112.54</b>

On behalf of our client, The Toronto-Dominion Bank, we hereby make formal demand for payment. Pursuant to your unlimited Guarantee, we hereby require you to pay to our client, The Toronto-Dominion Bank the sum of \$12,729,112.54, representing the total indebtedness of the above sums, together with accrued interest thereon.

You have further provided to The Toronto-Dominion Bank, as collateral to your Guarantee, a General Security Agreement dated September 10, 2008. In this regard, we enclose herewith a Notice of Intention to Enforce Security pursuant to the Bankruptcy and Insolvency Act, subsection 244(1).

Should payment not be received forthwith, we shall take whatever action is deemed necessary to recover our client's funds, plus accrued interest.

October 26, 2011  
Page 2

Please govern yourself accordingly.

Yours very truly,

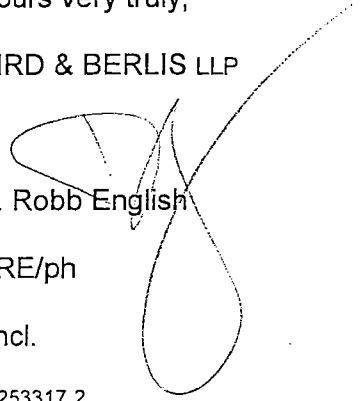
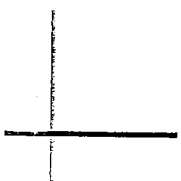
AIRD & BERLIS LLP

D. Robb English

DRE/ph

Encl.

11253317.2

A handwritten signature in black ink, appearing to read 'D. Robb English', is written over the typed name. The signature is stylized with a large loop and a long horizontal stroke extending to the right.

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**(Bankruptcy and Insolvency Act, Subsection 244(1))**

By Registered and Ordinary Post

TO: 1611161 Ontario Limited  
 31 Jewel Crescent  
 Brampton, ON L6R 2P5

*an insolvent company/person*

**TAKE NOTICE that:**

1. The Toronto-Dominion Bank, a secured creditor, intends to enforce its security on the property of the insolvent company/person described below:
  - (a) all of the undertaking, property and assets, including, without limiting the generality of the foregoing, all of the intangibles, proceeds, books and records, equipment, inventory and real estate.
2. The security that is to be enforced is in the form of:
  - (a) a General Security Agreement dated September 10, 2008 and registered pursuant to *The Personal Property Security Act (Ontario)* on August 7, 2008 pursuant to Financing Statement No.: 20080807 0936 1862 6842.
3. The total amount of indebtedness secured by the security is \$12,729,112.54 as of October 26, 2011, together with additional costs of the secured creditor, and with additional interest, details of which are as follows:

FACILITIES	PRINCIPAL	INTEREST	TOTAL P + I	INTEREST RATE
Demand Loan	\$12,225,883.00	\$154,330.00	\$12,380,213.84	Prime + 1 ¾%
Overdraft	\$73,723.83	\$1,057.87	\$74,781.70	21%
Letter of Credit	\$101,400.00		\$101,400.00	1%
Letter of Credit	\$172,717.00		\$172,717.00	1%
<b>Total</b>				<b>\$12,729,112.54</b>

4. The secured party will not have the right to enforce the security until after the expiry of the ten (10) day period following the sending of this notice, unless the insolvent company/person consents to an earlier enforcement.

DATED at Toronto this 26<sup>th</sup> day of October, 2011.

The Toronto-Dominion Bank by its  
 solicitors Messrs. Aird & Berlis LLP

Per: 

D. Robb English  
 Brookfield Place, Suite 1800  
 181 Bay Street, Box 754  
 Toronto, Ontario, M5J 2T9  
 Tel: (416) 863-1500  
 Fax: (416) 863-1515

**Note:** This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.





Barristers and Solicitors

D. Robb English

Direct: 416.865.4748

E-mail: renglish@airdberlis.com

October 26, 2011

**VIA REGISTERED AND ORDINARY MAIL**

**Private & Confidential**

Jagdev Dhaliwal  
31 Jewel Crescent  
Brampton, ON L6R 2P5

Dear Sir:

**Re: The Toronto-Dominion Bank Loans to 2012241 Ontario Limited**

Take notice that 2012241 Ontario Limited, for whom you became surety under your Guarantee dated September 10, 2008 (limited to \$4,000,000) is indebted to our client, The Toronto-Dominion Bank, for the following sums for principal and interest as at October 26, 2011:

FACILITIES	PRINCIPAL	INTEREST	TOTAL P + I	INTEREST RATE
Demand Loan	\$12,225,883.00	\$154,330.00	\$12,380,213.84	Prime + 1 3/4%
Overdraft	\$73,723.83	\$1,057.87	\$74,781.70	21%
Letter of Credit	\$101,400.00		\$101,400.00	1%
Letter of Credit	\$172,717.00		\$172,717.00	1%
<b>Total</b>				<b>\$12,729,112.54</b>

On behalf of our client, The Toronto-Dominion Bank, we hereby make formal demand for payment. Pursuant to your Guarantee, we hereby require you to pay to our client, The Toronto-Dominion Bank the sum of \$4,000,000 representing the limit to your Guarantee, together with accrued interest thereon.

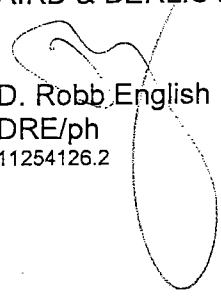
Should payment not be received forthwith, we shall take whatever action is deemed necessary to recover our client's funds, plus accrued interest.

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP

D. Robb English  
DRE/ph  
11254126.2





Barristers and Solicitors

D. Robb English  
Direct: 416.865.4748  
E-mail: reenglish@airdberlis.com

October 26, 2011

**VIA REGISTERED AND ORDINARY MAIL****Private & Confidential**Ravinder Chahal  
17 Adirondack Crescent  
Brampton, ON L6R 1E5

Dear Sir:

**Re: The Toronto-Dominion Bank Loans to 2012241 Ontario Limited**

Take notice that 2012241 Ontario Limited, for whom you became surety under your Guarantee dated September 10, 2008 (limited to \$4,000,000) is indebted to our client, The Toronto-Dominion Bank, for the following sums for principal and interest as at October 26, 2011:

FACILITIES	PRINCIPAL	INTEREST	TOTAL P + I	INTEREST RATE
Demand Loan	\$12,225,883.00	\$154,330.00	\$12,380,213.84	Prime + 1 ¾%
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Should payment not be received forthwith, we shall take whatever action is deemed necessary to recover our client's funds, plus accrued interest.

Please govern yourself accordingly.

Yours very truly,

AIRD &amp; BERLIS LLP

D. Robb English  
DRE/ph  
11253349.2





D. Robb English/Fauna X# 3184  
TO re 2012241 Ontario Ltd.  
File # 110495

**R** Registered Domestic  
**Recommandé Régime intérieur**



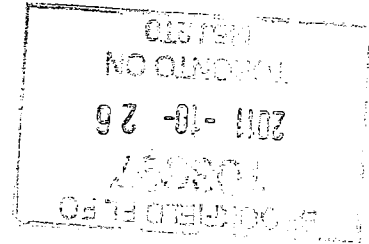
To **Destinataire**  
Name **2012241 Ontario Limited**  
Address **470 Chrysler Drive Unit 20**  
City **Brampton ON L6S 0C1**

FOR DELIVERY CONFIRMATION  
POUR CONFIRMER LA LIVRAISON  
1 888 550-6333  
www.canadapost.ca  
www.postescanada.ca

Declared Value  
Valeur déclarée \$

Item No. N° de l'article  
**79 419 095 805**

CUSTOMER RECEIPT REÇU DU CLIENT



33-086-584 (98-10)

**R** Registered Domestic  
**Recommandé Régime intérieur**



To **Destinataire**  
Name **1611161 Ontario Limited**  
Address **31 Jewel Crescent**  
City **Brampton ON L6R 2P5**

FOR DELIVERY CONFIRMATION  
POUR CONFIRMER LA LIVRAISON  
1 888 550-6333  
www.canadapost.ca  
www.postescanada.ca

Declared Value  
Valeur déclarée \$

Item No. N° de l'article  
**79 419 095 814**

CUSTOMER RECEIPT REÇU DU CLIENT

33-086-584 (98-10)

**R** Registered Domestic  
**Recommandé Régime intérieur**



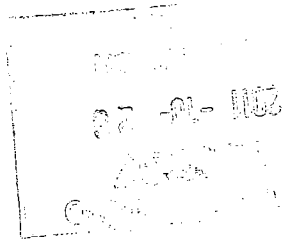
To **Destinataire**  
Name **Ravinder Chahal**  
Address **17 Adirondack Crescent**  
City **Brampton ON L6R 1E5**

FOR DELIVERY CONFIRMATION  
POUR CONFIRMER LA LIVRAISON  
1 888 550-6333  
www.canadapost.ca  
www.postescanada.ca

Declared Value  
Valeur déclarée \$

Item No. N° de l'article  
**79 419 095 788**

CUSTOMER RECEIPT REÇU DU CLIENT



33-086-584 (98-10)

**R** Registered Domestic  
**Recommandé Régime intérieur**



To **Destinataire**  
Name **Jagdev Dhaliwal**  
Address **31 Jewel Crescent**  
City **Brampton ON L6R 2P5**

FOR DELIVERY CONFIRMATION  
POUR CONFIRMER LA LIVRAISON  
1 888 550-6333  
www.canadapost.ca  
www.postescanada.ca

Declared Value  
Valeur déclarée \$

Item No. N° de l'article  
**79 419 095 791**

CUSTOMER RECEIPT REÇU DU CLIENT

33-086-584 (98-10)

Tab OO



THIS IS **EXHIBIT OO** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS

---

**From:** ravi chahal [<mailto:ravi@chahalwilshire.com>]

**Sent:** Saturday, November 05, 2011 01:12 AM

**To:** MALCOLM, Kenneth

**Subject:** Re: 2012241 Ontario Ltd. - Ravi - Please call me when you get this. Extremely important.

HI Kenneth,

We recieved your notice on tuesday November 1st which was delievered to my old address at 50 Chrysler Dr.,Brampton, You have my coordinates of 50 Sunnymeadow and thats where we have been holding the meetings, so why wouldn't you send it to my sunnymeadow address? and as for the registered company address it is Sunforset dr., Brampton.

We recieved the notice on the 1st of November which should give us till 11th Novemeber to respond. We would like to resolve this matter please acknowledge my email via email.

Tab PP

THIS IS **EXHIBIT PP** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS *10<sup>th</sup>* DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS

----- Forwarded message -----

From: ravi chahal  
Date: Monday, November 7, 2011  
Subject: Restructuring letter  
To: ravi chahal <[ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)>

--  
Respectfully!!!

Ravinder Singh Chahal  
Ceo.  
The Chahal Wilshire Group Inc.  
Business Developments and Investments.  
50 Sunny Meadow Blvd Unit 103  
Brampton, Ontario  
L6R 0Y7  
Tel# 416.823.6684  
E-mail: [ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)  
[www.chahalwilshire.com](http://www.chahalwilshire.com)

--  
Respectfully!!!

Ravinder Singh Chahal  
Ceo.  
The Chahal Wilshire Group Inc.  
Business Developments and Investments.  
50 Sunny Meadow Blvd Unit 103  
Brampton, Ontario  
L6R 0Y7  
Tel# 416.823.6684  
E-mail: [ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)  
[www.chahalwilshire.com](http://www.chahalwilshire.com)

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AVIS : Message confidentiel dont le contenu peut être privilégié. Utilisation/divulgateion interdites sans permission. Si reçu par erreur, prière d'aller au [www.td.com/francais/avis\\_juridique](http://www.td.com/francais/avis_juridique) pour des instructions.

To: Kenneth Malcolm

This email is our final reach out before we take any actions in reference to the situation between The Toronto Dominion Bank and 2012241 Ontario. We are looking forward to closing units starting on or before January 30y, 2012. T this time we have two options.

The first option is to try to resolve the situation with the Bank after our review of the whole situation:

There are few small issues outstanding for our condominium registration process to be completed.

1. All of our engineers have signed off excluding our landscaping engineer. There was an accident on the corner of Sunny Meadow Blvd. and Peter Robertson Pkwy taking out some grass and tree's causing us to resod and replace a few trees. All other engineers have signed off and we have their files in our possession.
2. The Surveyor has some work left to do. He says that he will require till the end of the month to complete the final site visit, Description documents etc., prior to submission to the city for final review
3. Regarding the lien please find attached correspondence showing Bank's direct involvement causing the lien.

**"Now we are at the final stages of discharging the lien further to my email to Mr. Berkow of the 19th, I have received no response. I need your instructions to proceed with a motion to vacate registration and discharge the lien. The motion is scheduled for next Friday, November 11."**

4. I am also attaching few emails which are important mainly because of the words in this message, showing that the bank was corresponding directly with everyone and the reports we were given by the bank regarding completion of the project:

A) "From Jason Afonso [jasona@gsai.ca](mailto:jasona@gsai.ca) to "ravi chahal ([ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com))" <[ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)>

me received Fri June 22, 2011 at 1:45 PM

Re: subject 50 Sunny Meadow  
mailed-by [gsai.ca](mailto:gsai.ca)

Hi Ravi,

As discussed, here are the remaining items required to obtain condo registration:

1. A letter from your engineer to confirm that sufficient wire-line communication and conduits are provided on site;
2. A letter from your engineer confirming that all engineering works identified in the Site Plan Agreement are completed;

3. A letter from your engineer confirming that a mailroom with rear-loading lock box panel for mail service is provided for each commercial unit.

I trust your lawyer has dealt with Hydro one in satisfying their easement requirements. Bell comments are attached.

Jason Afonso, MCIP, RPP | Planner

Glen Schnarr & Associates Inc.

700 - 10 Kingsbridge Garden Circle

Mississauga, ON | L5R 3K6

P: 905-568-8888 x227 | F: 905-568-8894

www.gsai.ca “

B.) ----- Forwarded message -----

“From: Raghuvanshi, Ajay <[ajay.raghuvanshi@td.com](mailto:ajay.raghuvanshi@td.com)>

Date: Wed, Jul 27, 2011 at 1:36 PM

Subject: RE: 50 Sunny Meadow

To: ravi chahal <[ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)>

Ravi,

I got to talk to Jason at Glen Schnarr yesterday. He says that everything is good and he is just waiting for the engineer's confirmation. Plus he also mentioned that they are waiting on some payment from your side and that it is going to come this week.

I would appreciate if you could let me know the following:

When are going to transfer \$120,000 from the DUCA account?

Bill payment to Altus/Carlos and Bill payment to Glen Schnarr?

Any chance you could call me today? I am in the office whole day.

Ajay Raghuvanshi | Account Manager | Mississauga Real Estate Group | TD Commercial Banking”

After getting Ajay's email, and although confident that we were close to the end of the project, I was surprised when I contacted Jason for reports, I found out that Jason had not been communicating with our Surveyor and when I contacted the surveyor he sent me the following:

**“Outstanding:**

- 1) The documentation of the extent of the on grade parking must be done to comply with the regulations.
- 2) The Draft Plan sheets must be converted into Condo Description sheets
- 3) Final searches, calculations and checking of the description must be done.
- 4) Finalization of the Schedules A, C, and F must be done in conjunction with the final declaration.
- 5) The description and declaration must be submitted to the City for their comment.
- 6) When the City, Region etc. are satisfied with the documents the declaration and description are sent to the registry office for their examination and comment.
- 7) When the registry office staff is satisfied they approve the documents and we make our final copies, get them signed and send them to the City.
- 8) When the City has signed the description and approved the declaration they send the description to the registry office for registration.
- 9) The lawyer then attends the registry office and submits the declaration for registration.
- 10) The architect makes a final set of prints with the correct registration form in the top right hand and we send it to the registry office to support the condo package.
- 11) When this is all done the registry office staff will sign the plan and give it a registration number.
- 12) The registry office staff will then have up to 10 days to open the PINs and allow the transfer of the Units to the new owners.”

B. Regarding the cheque Jagdev was out of town and DUCA, still works in the old fashioned way they had tried approaching him to confirm if they should clear the check due to the amount of the check, as they were unable to reach him they sent it back.

C. Now we have removed all funds from DUCA and assigned them to a different institute and company.

6. Please find enclosed correspondence with the bank showing that we were not in default and we had an extension till October 31 2011.

7. All these will take us in to the month of December it being Christmas will be a right off, as lot of people will be on vacation, so that’s why were expecting to close the units January 15th, 2011



And for our Second option, we are willing to go to court to file a law suit against TD, as we were treated unfairly and the court will give us a chance and hear is out for example.;

However regarding the present status

- 1.) Your surprise meeting that we had in our office
- 2.) You tried to enforce trustee upon me and the statement breakdown included \$60,000 for default and earlier it was that this amount was for an extension. Our account was not to circulated properly.

5. We were approved with an overdraft and were never allowed to use it at any stage and the rate was very high on it. It was given to us more for the Bank's convenienc. Our account was seized and the Bank returned our cheques and we had to run around for all payments, which caused delay as we had to run around and arrange for the funds to pay the trades. Meanwhile we had the overdraft and by using it we could have paid everyone on time without causing delay. Our interest payments and the return of cheques were due to the following reasons;

A. Regarding the interest payments, our accounts were blocked by the Bank and all our cheques were bounced, so we were unable to pay the regular TMI for the building , which left us with only one option which was to open a new account in DUCA, so we could manage the building properly and complete the project.

I held an emergency meeting with all the purchasers of the units on Sunday October 16 to 18, during which I had disclosed the current situation and possible power of sale proceedings by TB Bank. I had forward then my email correspondence to the purchasers to be reviewed with their lawyers showing of involvement of the Bank with our general contractors from August 2010 to July 2011, taking the power out of our hands and causing delays. All the purchasers have reviewed the situation with their lawyers and have been advised that the delays have lead to loss of tenants, loss of income, loss of value and their lawyers have advised them of their options.

At this point, unless we can reassure the purchasers that the situation has been stabilized with a definite time line to registration, and that there will not be any undue actions by the Bank that would cause more delay, we may be forced to; (a) release deposits to the purchasers and cancel agreements of purchase and sale for those requesting same, or, (b) for all purchasers who still want the units we will probably need to amend the purchase price on the units to compensate for their loss of income and value caused by delays. After my meeting with the Purchaser's they have given me in writing their total confidence and also the authorization to make decision on their behalf for the completion of the project. They all are willing and ready close their deals when I tell them we are ready to close. Neither of these scenarios is in our mutual best interests.

In any event, we may lose some purchasers since the extension periods in their agreements have expired.

We can work together to finish this project on good terms, instead of fighting.

As you know all of our units are in shell status and we have tentatively signed commitments with the following: Cardiologist, Eye doctors, Orthopedics and Neurologist. The Walk in Clinic will be starting construction this January.

We ask for your patience to work with us so we may all be successful and complete the project. Hopefully, we can continue to work together and complete this project as it is mostly complete. We have come a long way please work with us so we can complete this project and move on, instead of going into a conflict and putting a halt on to the project in its last and final stage.

We have built a relationship over time and would love to work with you again on new projects.

On our part, we are prepared to do the following;

- bring all interest payments up to date and to make future payments on time through to registration and start of closing of sales;
- prepare and submit a restructuring plan for the company and project by mid November;
- get a commitment for third party financing to ensure payment of interest as said above and to complete the project and condominium registration (we have had discussions with a lender and it looks promising);and,
- meet with This Thursday, or after at your convenience, to discuss all of the above.

Tab QQ

THIS IS **EXHIBIT QQ** REFERRED TO  
IN THE AFFIDAVIT OF KENNETH J. MALCOLM  
SWORN BEFORE ME, THIS **10<sup>th</sup>** DAY OF  
NOVEMBER, 2011



A COMMISSIONER FOR TAKING AFFIDAVITS

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

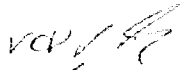
- and -

2012241 ONTARIO LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O 1990 c. C.43, as amended**

**CONSENT**

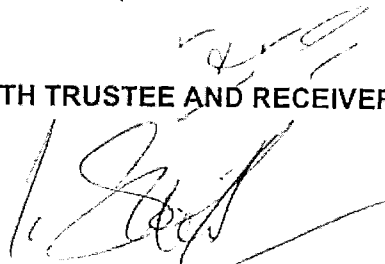


The undersigned, Ira Smith Trustee and Receiver Inc. ("**Ira Smith Trustee**"), hereby consents to the appointment of Ira Smith Trustee as receiver, without security, of all of the assets, undertakings and properties of 2012241 Ontario Limited pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and/or section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

DATED at Concord, Ontario, this 10<sup>th</sup> day of November, 2011.

**IRA SMITH TRUSTEE AND RECEIVER INC.**

Per:



Name: Ira Smith  
Title: PRESIDENT

THE TORONTO-DOMINION BANK

- and -

2012241 ONTARIO LIMITED

Applicant

Respondent

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at Toronto

**CONSENT**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
Suite 1800, Box 754  
181 Bay Street  
Toronto, ON M5J 2T9  
Tel: 416.863.1500  
Fax: 416.863.1515

**Sanj Sood - LSUC No. 42137R**

Lawyer for the Applicant

THE TORONTO-DOMINION BANK

and

2012241 ONTARIO LIMITED

Applicant

Respondent

Court File No.

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF KENNETH MALCOLM**  
(sworn November 10, 2011)

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
Suite 1800, Box 754  
181 Bay Street  
Toronto, ON M5J 2T9  
Tel: (416) 863-1500  
Fax: (416) 863-1515

**Sanj Sood – LSUC No. 42137R**  
Lawyers for the Applicant

THE TORONTO-DOMINION BANK

and

2012241 ONTARIO LIMITED

Applicant

Respondent

Court File No. CV-11-9456-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
PROCEEDING COMMENCED AT TORONTO

**APPLICATION RECORD**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
Suite 1800, Box 754  
181 Bay Street  
Toronto, ON M5J 2T9  
Tel: 416.863.1500  
Fax: 416.863.1515

**Sanj Sood – LSUC No. 42137R**

Lawyers for the Applicant