

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

MARSHALLZEHR GROUP INC. and THE BANK OF NOVA SCOTIA TRUST
COMPANY

Applicants

- and -

2131059 ONTARIO LIMITED

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

APPLICATION RECORD

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Lawyers for the Applicants

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114 Sheppard Avenue West,
Suite 12
Toronto, Ontario
M3K 2A2

Respondent

INDEX

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APPLICATION RECORD

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TAB 1

7-11-2015 1
Cv 15-10957-00CL
Court File No.

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

**MARSHALLZEHR GROUP INC. and THE BANK OF NOVA SCOTIA TRUST
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Applicants

- and -

2131059 ONTARIO LIMITED

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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 pages.

THIS APPLICATION will come on for a chambers scheduling appointment before a Judge presiding over the Commercial List on Tuesday, May 5, 2015, at 10:00 a.m., at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, you or an Ontario lawyer acting for you must forthwith prepare a Notice of Appearance in Form 38C prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant 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 not later than 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: April 29, 2015

Issued by: _____
Local Registrar



A. Anissimova
Registrar

Address of Court Office:
330 University Avenue
Toronto, Ontario
M5G 1T3

TO: 2131059 ONTARIO LIMITED
114 Sheppard Avenue West,
Suite 12
Toronto, Ontario
M3K 2A2

APPLICATION

1. The Applicant makes an application for:
 - (a) an order validating service of this Notice of Application and the Application Record in the manner effected, abridging the time for service thereof (if necessary), and dispensing with service thereof on any party other than the parties served;
 - (b) an order substantially in the form included in the Application Record, appointing Collins Barrow Toronto Limited ("**Collins Barrow**") as receiver of the property, assets and undertakings of the Respondent; and
 - (c) such further and other relief as this Honourable Court may deem just.

2. The grounds for the application are:
 - (a) 2131056 Ontario Limited, operating as Baywood Homes (the "**Debtor**") is the registered owner of a property municipally known as 700 and 725 Mapleview Drive East, Barrie, Ontario (the "**Property**"). The Debtor acquired the Property with the intention to construct a medium and high density residential development.
 - (b) The Applicants granted loans totalling approximately \$21 million to the Debtor for the purpose of financing the development of the Property. As of April 1, 2015, the total amount due to the Applicants was \$27,211,581.57. As security for their loans the Applicants hold, among other things, first-ranking, third-ranking and fourth-ranking mortgages, registered against the Property. Each of the mortgages matured

in early 2014. The loans were not paid on maturity of the mortgages, and the mortgages are in default.

- (c) The Debtor is in breach of its obligations to the Applicants under the loans for, among other things, non-payment. On February 27, 2014, the Applicants issued demand letters and Notices of Intention to Enforce Security pursuant to Section 244(1) (the "BIA Notices") of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA").
- (d) The development requires site plan approval from the City of Barrie before it can proceed. Although it was in the position to seek site plan approval in the summer of 2013, the Debtor has not advanced its application process and has failed or refused to authorize the Applicants to do so on the Debtor's behalf.
- (e) The City of Barrie has established specific deadlines in respect of compliance with development conditions. If those conditions are not satisfied, the City may revoke the agreed-upon densities approved for the Property.
- (f) The second ranking mortgagee has also commenced power of sale proceedings, and issued a notice of sale with a redemption date of April 28, 2015.

Appointment of Receiver

- (g) The development of the Property has stalled. Without site plan approval the Applicants do not expect to recover the full amount of their loans. On the other

hand, it is possible that all of the Debtor's mortgagees would recover all or substantially all of their loans to the Debtor if the Property is sold after site plan approvals are obtained. In the absence of the Debtor's cooperation, which has not been forthcoming, the site plan approval process cannot proceed.

- (h) It is just and convenient that a receiver be appointed to take all steps necessary to obtain site plan approval and to market the Property for the benefit of all stakeholders.
- (i) MZG proposes that Collins Barrow be appointed as receiver.

Other Grounds

- (j) Section 243 of the BIA and Section 101 of the *Courts of Justice Act*, R.S.O., c. C.43, as amended.
- (k) Rules of Civil Procedure: Rule 1.04, 1.05, 2.03, 3.02(1), 16.08.
- (l) Such further and other grounds as counsel may advise and this Honourable Court permits.

3. The following documentary evidence will be used at the hearing of the application:
- (a) The Affidavit of Gregory Zehr; and
 - (b) Such further and other evidence as counsel may advise and this Honourable Court permits.

Date: April 29, 2015

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Harvey Chaiton (LSUC#21592F)
Doug Bourassa (LSUC#50315C)

Tel: 416-218-1129
Fax: 416-218-1849

Lawyers for the Applicants

MARSHALLZEHM GROUP INC. AND THE BANK
OF NOVA SCOTIA TRUST COMPANY
Applicants and

2131059 ONTARIO LIMITED
Court File No. *215-18951-02* Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

NOTICE OF APPLICATION

CHATTONS LLP
Barristers & Solicitors
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Toronto, ON M2N 7E9

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Lawyers for the Applicants

TAB 2

Court File No.

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

**MARSHALLZEHR GROUP INC. and THE BANK OF NOVA SCOTIA TRUST
COMPANY**

Applicants

- and -

2131059 ONTARIO LIMITED

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

AFFIDAVIT OF GREGORY ZEHR

(sworn April 29, 2015)

I, **Gregory Zehr**, of the City of Waterloo, in the Province of Ontario, **MAKE OATH
AND SAY AS FOLLOWS:**

1. I am the President of the Applicant, MarshallZehr Group Inc. ("MZG"). As such, I have knowledge of the facts and matters hereinafter deposed to. Where information contained in this affidavit is based on information and advice I have received from other sources, I have stated the source of that information and advice, and in all such cases I believe such information and advice to be true.

OVERVIEW

2. 2131059 Ontario Limited, operating as Baywood Homes (the "**Debtor**") is the registered owner of a property municipally known as 700 and 725 Mapleview Drive East, Barrie, Ontario (the

“Property”). The Debtor acquired the Property with the intention to construct a medium and high density residential development.

3. The Applicants granted loans totalling approximately \$21 million to the Debtor for the purpose of financing the development of the Property. As of April 1, 2015, the total amount due to the Applicants was \$27,400,038.13. As security for their loans the Applicants hold, among other things, first-ranking, third-ranking and fourth-ranking mortgages, registered against the Property. Each of the mortgages matured in early 2014. The loans were not paid on maturity of the mortgages, and the mortgages are in default.

4. The Debtor is in breach of its obligations to the Applicants under the loans for, among other things, non-payment. On February 27, 2014, the Applicants issued demand letters and Notices of Intention to Enforce Security pursuant to Section 244(1) (the “BIA Notices”) of the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”).

5. On April 8, 2014, the Applicants issued a Notice of Sale under their first ranking mortgage against the Property. No payments have been received by the Applicants since the issuance of the demands.

6. The development requires site plan approval from the City of Barrie before it can proceed. Although it was in the position to seek site plan approval in the summer of 2013, the Debtor has not advanced its application process and has failed or refused to authorize the Applicants to do so on the Debtor’s behalf. Until site plan approval is obtained, building permits cannot be applied for and construction of the development cannot be commenced.

7. The Applicants listed the Property for sale under power of sale with Park Place Realty Inc. in July 2014. In the course of marketing the Property under power of sale, potential purchasers have conditioned their interest on the Property being site plan approved. If site plan approval is obtained, the Property is expected to substantially increase in value, and may be sufficient to satisfy all the mortgage debts relating to the Property. By contrast, based on appraisals obtained by MZG, an 'as is' sale of the Property will not likely generate sufficient proceeds to repay the first mortgage.

8. The development approval process included a settlement agreement between the Debtor and the City of Barrie at the Ontario Municipal Board (the "OMB"). Pursuant to this settlement, there are certain development deadlines with the City of Barrie relating to site plan approval that must be met if the development is to proceed. Unless the deadlines are met, the previously agreed-upon densities for the project are at risk of being revoked by the City of Barrie.

9. The second ranking mortgagee has issued a notice of sale dated March 19, 2015, with a redemption period expiring on April 28, 2015.

10. The Applicants seek the appointment of Collins Barrow Toronto Limited ("Collins Barrow") as receiver under Section 243(1) of the *Bankruptcy and Insolvency Act* ("BIA") and Section 101 of the *Courts of Justice Act* over the Debtor's property, assets and undertakings for the purpose of obtaining the requisite site plan approvals and selling the Property for the benefit of the Applicants and other stakeholders.

BACKGROUND

11. The Applicant MZG is a real estate brokerage and administration firm formed in 2008 with head offices in Waterloo, Ontario. MZG is in the business of structuring and administering secured mortgages primarily for residential developments. Individual mortgage transactions arranged by

MZG typically range from \$1MM to \$80MM and are managed separately for their lenders under mortgage administration agreements.

12. The Debtor is an Ontario corporation, incorporated on March 21, 2007, with a registered office address of 114 Sheppard Avenue West, Suite 12, Toronto, Ontario. Attached hereto as **Exhibit "A"** is a copy of the Corporate Profile Report for 213 obtained from the Ministry of Government Services on March 6, 2015.

13. The Debtor acquired the Property in May 2007. The Property is comprised of approximately 100 acres of raw land located near the GO train station in Barrie, Ontario. The Property is intended for a medium and high-density residential development. The original development plans included approximately 1,823 to 1,876 units of mixed types, with no structure higher than 10 stories. Following a refusal by the City of Barrie (the "**City**") to approve the project and a subsequent settlement between the City and the Debtor, reflected in the reasons of the Ontario Municipal Board (the "**OMB**") dated June 21, 2013 the number of authorized units was reduced to 1,240. A copy of the OMB's decision dated June 21, 2013 is attached hereto as **Exhibit "B"**.

14. The next stage in the project development requires the Debtor to obtain site plan approval from the City.

THE APPLICANTS LOANS

15. Pursuant to a commitment letter dated December 7, 2009, MarshallZehr Group Inc., in its capacity as the trustee for a number of lenders (the "**MZG Trustee**"), made a term loan available to the Debtor in the principal amount of \$13 million for the purpose of refinancing the Property for future development (the "**First Loan**"). A copy of the 2009 commitment letter is attached hereto as **Exhibit "C"**.

16. A portion of the interest accruing on the First Loan was deferred, and described as an 'equity bonus' in the 2009 commitment letter. Pursuant to the terms of the First Loan, upon maturity or prepayment of the First Loan in whole, deferred interest equal to the following became due: (i) \$3,900,000, if the First Loan was retired on or before the 2nd anniversary of the advance; or (ii) \$4,712,500 (the "**Deferred Interest**").

17. As security for the First Loan, the MZG Trustee obtained, among other things: (i) a first ranking mortgage on the Property in the amount of \$17,712,500 (the "**First Mortgage**"); and (ii) a general security agreement over the Debtor's personal property (the "**2009 GSA**"). Copies of the First Mortgage and the GSA are attached hereto as **Exhibits "D"** and "**E**", respectively.

18. It was agreed between the parties that the Deferred Interest will subordinate and be postponed to the second registered charge on the Property in favour of Sussman Mortgage Funding Inc. (the "**Sussman Charge**").

19. In June 2012, pursuant to the terms of a commitment letter dated June 28, 2012, as amended by an addendum dated October 12, 2012 and a second addendum dated June 18, 2013 (collectively, the "**2012 Commitment Letter**"), MZG agreed to extend a new loan facility to the Debtor for the purpose of: (i) refinancing the First Loan and replacing the First Mortgage; and (ii) providing the Debtor with an additional \$1.4 million to fund interest accruing, working capital and closing costs (the "**2012 MZG Loan**"). A copy of the 2012 Commitment Letter is attached hereto as **Exhibit "F"**.

20. Pursuant to the terms of the 2012 Commitment Letter, the parties agreed, among other things, that:

- a. MZG would take an assignment of the existing 1st mortgage on the Property. A copy of the Assignment Agreement is attached hereto as **Exhibit "G"**;

- b. The Deferred Interest portion of the First Mortgage will be replaced with a new third charge (the “Deferred Interest Charge”);
- c. MZG would receive a general security agreement over all of the assets and undertaking of 213 and the Baywood Homes Partnership, a copy of which is attached hereto as Exhibit “H”; and
- d. The MZG Loan would mature on January 5, 2014.

21. Pursuant to the terms of the 2012 Commitment Letter, The Bank of Nova Scotia Trust Company (“BNS Trust”) holds an interest in the First Mortgage as trustee for various self-directed RRSP lenders listed in the schedule to the registered charge.

22. Concurrent with the 2012 MZG Loan, MZG and BNS Trust entered into an Acknowledgement and Postponement Agreement (the “Sussman Postponement”) with the Sussman Group (as it was then constituted). Attached hereto as Exhibit “I” is a true copy of the Sussman Postponement Agreement.

23. In addition to the acknowledgment of the priority of the First Mortgage, the Sussman Postponement included the following terms:

“...the parties hereto agree as follows:

(C) [MZG/Scotia] postpone payment of Three Million Three Hundred Twelve Thousand Five Hundred (\$3,312,500.00) Dollars of the registered principal amount of the First Mortgage as assigned/amended...to payment of the full amount of the funds owing to the Second Mortgagees...

(D) The parties confirm and agree that the balance of the principal amount of the First Charge, as assigned and amended, being Fourteen Million Four Hundred Thousand (\$14,400,000.00) Dollars, together will [sic] all interest, costs and all other amounts owing thereunder shall be a first charge upon the Lands...

(H) MZG/Scotia agree to take no steps to collect the [Deferred Interest] through enforcement of its security against the Lands or any other security of any nature now or hereafter held by MZG/Scotia including any guarantees...until the Second Mortgagee has been fully paid out...”

24. Pursuant to a commitment letter dated June 14, 2013, MZG agreed to extend another loan to the Debtor in the principal amount of \$1.1 million for the purpose of funding the plan approval

process and interest costs (the "2013 MZG Loan"). As security for the 2013 MZG Loan, MZG obtained a mortgage on the Property in the principal amount of \$1.1 million (the "Third Mortgage"). The parties agreed that the Deferred Interest Charge will be postponed to the Third Mortgage. Attached hereto as **Exhibit "J"** is a true copy of the 2013 MZG Loan commitment letter.

SECURED CREDITORS

25. I am advised by MZG's legal counsel, Chaitons LLP, that a title search for the Property obtained from ServiceOntario on April 27, 2015, a copy of which is attached hereto as **Exhibit "K"** discloses the following registrations listed in order of priority:

- (a) the First Mortgage in the principal amount of \$17,712,500, a copy of which was previously attached hereto as **Exhibit "D"**;
- (b) \$2,500,000 charge in favour of Sussman Mortgage Funding Inc. and Community Trust Company (collectively, the "**Sussman Group**") registered on January 5, 2010 as Instrument no. SC792819, a copy of which is attached hereto and marked as **Exhibit "L"**;
- (c) The Third Mortgage in the principal amount of \$1,100,000 registered on September 6, 2013, as Instrument no. SC1083208, a copy of which is attached hereto and marked as **Exhibit "M"**
- (d) the Deferred Interest Charge in the principal amount of \$4,712,500 registered on November 30, 2012, as Instrument no. SC1028163, a copy of which is attached hereto and marked as **Exhibit "N"**; and
- (e) \$1,500,000 charge in favour of Baywood Homes Partnership, 626353 Ontario Limited, Nori Corp., Vaughancord Holdings Inc., 778788 Ontario Limited and Corner World Developments Inc. (collectively, the "**Baywood Group**") registered on September 8, 2011, as Instrument no. SC929834, a copy of which is attached hereto and marked as **Exhibit "O"**. Although registered earlier in time than each of the charges described in subparagraphs (c) and (d), the Baywood Group charge was postponed in favour of each of those charges.

26. I am advised by Chaitons that it obtained a search from the Ontario Personal Property Security Registration System (the "PPSR") in respect of registrations which are outstanding

against the Debtor as at March 5, 2015, attached hereto as **Exhibit "P"**. The search discloses the particulars of the following registrations (in order of priority):

- a. MZG in respect of inventory, equipment, accounts, other & motor vehicles
- b. Sussman Mortgage Funding Inc. in respect of equipment, accounts, other & motor vehicles

27. A property tax search has been requisitioned, and will be available prior to the return of this application.

OMB PROCEEDINGS

28. In the course of the development of the project, the City refused or neglected to enact a zoning by-law to permit the redevelopment of the Property. The Debtor appealed this issue to the OMB. Ultimately, the appeal was settled, and the settlement was approved by the OMB in reasons dated November 22, 2013. Attached hereto as **Exhibit "Q"** is a true copy of the reasons for decision of the OMB.

29. The settlement explicitly provided that that OMB would not retain jurisdiction for clearing conditions of draft approval. Instead, the timing and satisfaction of those conditions would remain the purview of the City.

30. The City provided the Debtor with a set of 44 conditions which must be complied with in order to obtain approval of the plan of subdivision. Attached hereto as **Exhibit "R"** is a true copy of the draft plan of subdivision conditions.

31. Condition number 44 provides that the final plan of subdivision must be registered within 3 years of draft approval. MZG understands that this deadline will expire in May 2016. In the event a

further extension is required, it must be sought a minimum of 120 days prior to the expiry of the deadline.

32. On or around February 10, 2015, MZG requested that the Debtor execute an agency agreement authorizing MZG to apply for the requisite approvals with the City on the Debtor's behalf. The Debtor has not provided the requested consent and has refused to sign the proposed agreement. Attached hereto as **Exhibit "S"** is a true copy of the consent.

DEFAULT AND POWER OF SALE

33. The Debtor is in default of its obligations under the 2012 MZG Loan and the 2013 MZG Loan for, among other things, non-payment.

34. On February 27, 2014, MZG and BNS Trust issued demand letters and BIA Notices. Attached hereto as **Exhibit "T"** are true copies of the demands and BIA Notices.

35. No funds were received in response to the February 27, 2014 demand letters.

36. On April 8, 2014, the Applicants issued a Notice of Sale under the First Mortgage. The Notice of Sale claimed payment of \$17,507,824.23 as at May 18, 2014. Attached hereto as **Exhibit "U"** is a true copy of the April 8, 2014 Notice of Sale.

37. No funds were received in response to the demand for payment or the Notice of Sale

38. Pursuant to an agreement dated November 2014, MZG and BNS Trust agreed to sell the Property under power of sale. The purchase price under the agreement of purchase and sale was in an amount sufficient to satisfy all or substantially all claims of the Debtor's mortgagees. The agreement was conditional upon the buyer satisfying itself that all of the requisite building permits

have been obtained. As discussed above, building permits cannot be applied for until site plan approval is obtained.

39. A copy of the agreement of purchase and sale, along with a copy of the 'as is' appraisals obtained by MZG will be provided to the Court in a confidential appendix at the return of the application.

40. By its terms, the agreement of purchase and sale expired on February 27, 2015.

41. In my discussions with the purchaser's representative, I understand that the purchaser is prepared to resubmit its offer if the site plan approvals are obtained.

SUSSMAN GROUP COMMENCES ENFORCEMENT

42. On March 19, 2015, a notice of sale under the 2nd ranking Sussman Charge, requiring payment of the sum of \$4,988,565.00 in order to redeem the mortgage. Attached hereto as **Exhibit "V"** is a true copy of the Sussman notice of sale.

43. The Sussman notice of sale establishes a redemption period ending on April 28, 2015.

IT IS JUST AND CONVENIENT TO APPOINT A RECEIVER

44. The Debtor is in default of its obligations to the Applicants. The Applicants have demanded payment and have delivered the BIA Notices to the Debtor. The Debtor has failed to repay any amounts to the Applicants subsequent to the delivery of the demands.

45. The development of the Property has stalled. Without site plan approval the Applicants do not expect to recover the full amount of their loans. On the other hand, as indicated above, all of the Debtor's mortgagees would likely recover all or substantially all of their loans to the Debtor if the

Property is sold after site plan approvals are obtained. In the absence of the Debtor's cooperation, which has not been forthcoming, the site plan approval process cannot proceed.

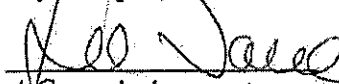
46. MZG is prepared to advance funds to a receiver appointed by the Court so that the receiver can take all steps necessary to obtain site plan approval and sell the Property for the benefit of all stakeholders. MZG currently estimates the cost of obtaining site plan approval at \$400,000 - \$500,000, exclusive of the Receiver's fees and disbursements and that of its counsel.

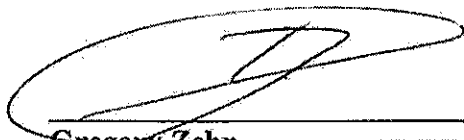
47. I believe it is in the best interests of the Applicants and the Debtor's creditors generally that a receiver be appointed to take control over the Property, obtain site plan approval and sell the Property in an open and transparent manner for the benefit of all stakeholders.

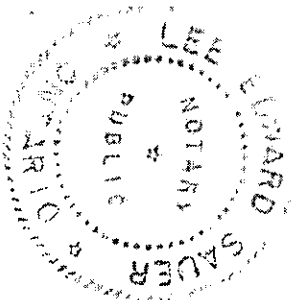
48. The Applicants propose that Collins Barrow be appointed as receiver. Collins Barrow has agreed to act, if appointed.

49. This affidavit is sworn in support of the Applicants' application for the appointment of a receiver over the Property and for no other or improper purpose.

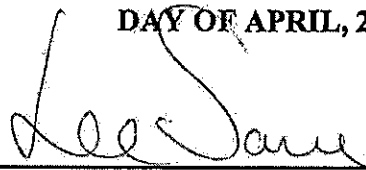
SWORN BEFORE ME at the City)
of Waterloo in the Province of)
Ontario, this 29th)
day of April, 2015)


A Commissioner, etc.

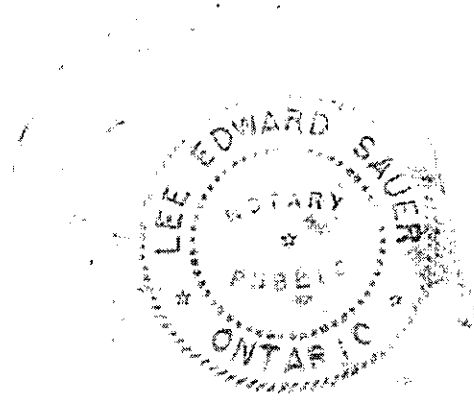

Gregory Zehr



**THIS IS EXHIBIT "A" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29th
DAY OF APRIL, 2015.**



A Commissioner etc.



Request ID: 017397057
Transaction ID: 56958741
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2015/03/06
Time Report Produced: 15:35:10
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2131059	2131059 ONTARIO LIMITED	2007/03/21
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
1140 SHEPPARD AVE WEST		NOT APPLICABLE
Suite # UNIT 12		Amalgamation Ind.
TORONTO		NOT APPLICABLE
ONTARIO		New Amal. Number
CANADA M3K 2A2		NOT APPLICABLE
Mailing Address		Notice Date
1140 SHEPPARD AVE WEST		NOT APPLICABLE
Suite # UNIT 12		Letter Date
TORONTO		NOT APPLICABLE
ONTARIO		Revival Date
CANADA M3K 2A2		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff. Date
		NOT APPLICABLE
		EP Licence Term. Date
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	In Ontario
	00001 00010	NOT APPLICABLE
Activity Classification		Date Ceased
NOT AVAILABLE		In Ontario
		NOT APPLICABLE

Request ID: 017397057
 Transaction ID: 56958741
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2015/03/06
 Time Report Produced: 15:35:10
 Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2131059

Corporation Name

2131059 ONTARIO LIMITED

Corporate Name History

2131059 ONTARIO LIMITED

Effective Date

2007/03/21

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:
 Name (Individual / Corporation)

CORA

CANONACO

Address

1140 SHEPPARD AVE WEST

Suite # UNIT 12
 TORONTO
 ONTARIO
 CANADA M3K 2A2

Date Began

2014/12/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Request ID: 017397057
Transaction ID: 56958741
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2015/03/06
Time Report Produced: 15:35:10
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2131059

2131059 ONTARIO LIMITED

Administrator:
Name (Individual / Corporation)

Address

CORA
CANONACO

1140 SHEPPARD AVE WEST
Suite # UNIT 12
TORONTO
ONTARIO
CANADA M3K 2A2

Date Began

First Director

2014/12/01

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 017397057
Transaction ID: 56958741
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2015/03/06
Time Report Produced: 15:35:10
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2131059

2131059 ONTARIO LIMITED

Last Document Recorded

Act/Code Description

Form

Date

CIA CHANGE NOTICE

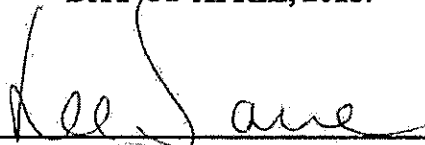
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2014/12/11 (ELECTRONIC FILING)

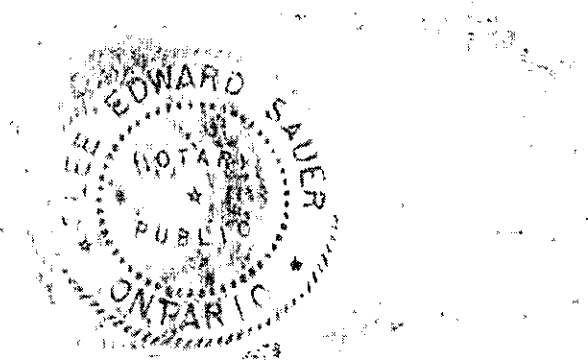
THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.
ADDITIONAL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

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

**THIS IS EXHIBIT "B" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29th
DAY OF APRIL, 2015.**



A Commissioner etc.



ISSUE DATE:

June 21, 2013



Ontario

**Ontario Municipal Board
Commission des affaires municipales de l'Ontario**

25

PL111099

2131059 Ontario Limited (Baywood Homes) has appealed to the Ontario Municipal Board under subsection 22(7) of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, from Council's refusal or neglect to enact a proposed amendment to the Official Plan for the City of Barrie to redesignate land at 700 and 725 Mapleview Drive East from Low Density Residential to Medium Density Residential, High Density Residential and Neighbourhood Commercial
(Approval Authority File No. D09-OPA 125)
OMB File No. PL111099

2131059 Ontario Limited (Baywood Homes) has appealed to the Ontario Municipal Board under subsection 34(11) of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, from Council's refusal or neglect to enact a proposed amendment to Zoning By-law 85-95 and 2009-141 of the City of Barrie to rezone lands respecting 700 and 725 Mapleview Drive East from OS, EP, R2 (SP-238, SP-244, SP-248, SP-249), RM2-TH, and C5 to OS, EP, RM2-TH SP, RA1 SP, RA2 SP to permit the development of a variety of medium and high density housing forms including street townhouse, four-plexes, six-plexes, maisonettes and a number of apartments ranging in height from 6-24 storeys
OMB File No. PL111101

2131059 Ontario Limited (Baywood Homes) has appealed to the Ontario Municipal Board under subsection 51(34) of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, from the failure of the City of Barrie to make a decision respecting a proposed plan of subdivision on lands respecting 700 and 725 Mapleview Drive East
(Approval Authority File No. D12-393)
OMB File No. PL111100

APPEARANCES:

Parties

Counsel

2131059 Ontario Limited
(Baywood Homes)

D. Bronskill

City of Barrie

R. Carlson

Innis-Shore Management Inc., Hewitt's
Creek Management Inc. and Crisdawn
Construction Inc.

C. Estrella

MEMORANDUM OF ORAL DECISION DELIVERED BY C. HEFFERON ON MAY 6, 2013 AND ORDER OF THE BOARD

MATTER BEFORE THE BOARD

[1] 2131059 Ontario Ltd ("Bayfield Homes") has appealed to the Ontario Municipal Board ("Board") the refusal or neglect of the City of Barrie ("City") to make a decision on its application for amendments to the City of Barrie Official Plan ("OP") and Zoning By-law 2009-141 ("By-law"), and for approval of a draft plan of subdivision to permit a residential development on lands municipally known as 700-725 Mapleview Drive East.

BACKGROUND

[2] At the commencement of the hearing, counsel for the parties informed the Board that Bayfield Homes had reached a partial settlement with the City. The settlement is based on a reduction in the proposed dwelling unit count from 1823 to 1241. The following was not disputed.

[3] The boundaries of the former Environmental Protection ("EP") designated lands have been expanded. Approximately 19.5 ha of the total 40 ha will be designated EP. It was agreed between the City and Bayfield that the storm water management pond ("SWMP") is not to be included in the dwelling unit count for the purposes of calculating density.

[4] Approximately 20.66 gross ha of the total site are proposed to be developed. Of this total, 818 units are proposed for the 6.78 ha located within a 500 m radius drawn from the intersection of Yonge Street and Mapleview Drive East and 423 units for the 7.946 ha located outside that 500 m radius. It is proposed to develop the lands within the 500 m radius at a density of approximately 120.7 units per ha ("u/p/ha") and the lands outside that radius at 53.9 u/p/ha. The circular road around the development, previously planned to be a private road, is now proposed to be a dedicated public road.

[5] The requested amendment to the By-law also requires that Block 14 be reserved both for institutional uses and for approximately 715 m² of retail space.

[6] David Bronskill, counsel for Bayfield Homes and Cory Estrella, counsel for the respondent (Innis-Shore Management Inc., Hewitt's Creek Management Inc., and Crisdawn Construction Inc.) confirmed that negotiations regarding certain cost sharing issues are continuing. If needed, all or a portion of July 22, 23, 2013 will be used to litigate this matter.

ORDER

[5] Four days have been set aside for the hearing into this matter.

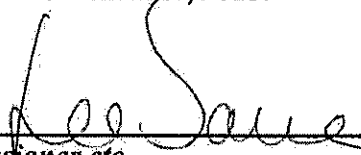
[6] The following days have been set aside for the hearing: **July 17, 18, 22 and 23 of 2013**. The hearing is scheduled to commence at **10:30 am on July 17** in:

**Municipal Building (Barrie)
Council Chambers
70 Collier Street Barrie ON
L4M 4T5**

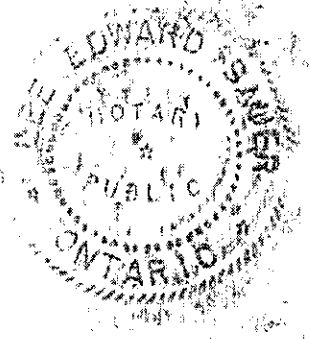
"C. Hefferon"

**C. HEFFERON
MEMBER**

**THIS IS EXHIBIT "C" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29
DAY OF APRIL, 2015.**



A Commissioner etc.



MarshallZehr
GROUP

December 7, 2009

Commitment Letter - Updated

MarshallZehr Group Inc. (hereinafter "MZG"), is pleased to advise you (hereinafter the "Borrower") that the Borrower's recent application for a loan to be secured by a first mortgage (the "Mortgage") has been approved subject to the following terms and conditions:

Project: The subject property is located in the City of Barrie. Pin Nos. 58091 -0288 and 58091 - 1689 known collectively as "Mapleview",

Borrower: 2131059 Ontario Limited

Guarantors: Ralph Canonaco
Tony Canonaco
Frank Canonaco
Baywood Homes Partnership
"Mapleview Newco"

Purpose: To refinance the existing property for future development.

Property Value: The estimated current value of the subject property is \$27,000,000 based upon 1500 Units. In the event density is increased to 2400 units then the appraised Value to be in excess of \$32 million upon site plan approval.

Lender Name: MarshallZehr Group Inc. in Trust (the "Lender")
465 Phillip St., Suite 206
Waterloo, ON, N2L6C7

Mortgage Brokerage: BLD Financial Inc.
Brokerage Number: 10019
Unit 104 - 501 Krug St.
Kitchener, ON

Mortgage Referral Fee
CYR Funding Inc.
Brokerage Number: 11681
300 John St. #328
Thornhill, ON, L3T 5W4

Marshall/Zehner

GROUP

Mortgage

Administrator: TBD

Loan Facility: \$13,000,000 Collaterally secured by a 1st Mortgage

Pricing: 7% per annum calculated and payable in advance. The effective annual rate of interest is 7.5268%

Interest: The Loan shall be payable interest only until maturity. The interest for the first year of the term in the amount of \$910,000 will be pre-paid to the Lender at closing. If the Loan is prepaid, in whole or in part, prior to the first anniversary of the Loan then the amount of prepaid interest that is "unearned" and applicable to such prepaid amount shall be credited to the Borrower and applied against the discharge payment. Upon the first anniversary of the Term of the Loan, the Borrower shall again prepay Interest for the second year of the Term at the prescribed rate on the principal balance of the Loan then outstanding (\$910,000.00 assuming no prepayments of interest have been made). If the Loan is prepaid, in whole or in part, prior to the second anniversary of the Loan, then and amount of prepaid interest that is "unearned" and applicable to such prepaid amount shall be credited to the Borrower and applied against the discharge payment. Upon the second anniversary of the Term of the Loan, the Borrower shall again prepay interest for the balance of the Term of the Loan at the prescribed rate on the balance of the Loan then outstanding. If the Loan is prepaid in whole or in part prior to maturity, then the amount of prepaid interest that is "unearned" and applicable to such prepaid amount shall be credited to the Borrower and applied against the discharge payment.

Broker Fee:

1. \$117,500 less the good faith deposit listed below. Payable to BLD Financial Inc.
2. CYR Broker Fee - \$143,750.00

Project Management Fee*:** MZG will be paid by the Borrower:

1. \$400,000, as a project management fee that will be earned and payable upon the maturity of the Loan. The Management fee will be secured by and be included in the Loan.
2. 7% per annum, paid annually in advance, on the value of the \$400,000 in the same manner as interest under the Loan.
3. The pro-rata share of Equity Bonus (of \$400,000 of \$13,000,000) when the mortgage principal is retired.

*** The fee is only earned as the Project evolves and a risk of non-payment occurs if the Loan is not re-paid in full.

Good Faith Deposit: \$25,000 non-refundable. This fee is accepted upon signing of this commitment letter and is non-refundable. The \$25,000 deposit is payable upon signing of the Commitment Letter and will be held "in trust" with "SorbaraLaw In Trust

Breakage Fee: In the event that the Borrower chooses not to proceed with the funding of MZG, then the borrower agrees to immediately pay MZG a fee of \$250,000 to break

MarshallZohr GROUP

the terms of the agreed Commitment Letter. ". This Breakage Fee will be guaranteed by Ralph Canonaco, Tony Canonaco, Frank Canonaco and Baywood Homes Partnership.

Targeted Closing Date:

The Standby Agreement - Wednesday, December 16th, 2009

The Mortgage Closing Date - Wednesday, December 30th, 2009

Legal and Professional Fees:

All Legal Fees to be paid by the Borrower.

Discharge Fees:

The borrower is responsible for all costs associated with the discharge of the mortgage.

Term:

30 months

Prepayment:

This is an "open" mortgage repayable in whole or in part at any time or times upon at least 90 days advance written notice to the Lender.

Renewal:

None

Equity Bonus:

Upon maturity or prepayment in whole, an Equity Bonus equal to the following shall be due and payable by the Borrower to the Lender:

A.) If the entire principal of the Loan (plus interest) is retired on or before the 2nd anniversary of the advance, then the guaranteed minimum bonus payout to the Lender shall be \$3,900,000.00.

B.) If the entire principal of the Loan (plus accrued interest) is retired after the 2nd anniversary of the first advance, then the guaranteed minimum bonus payout to the Lender shall be \$4,712,500.00.

It is agreed that the equity bonus, as outlined will subordinate and postpone to the 2nd mortgage in the amount of \$2,500,000.00. The beneficial owners' personal guarantees and Baywood Homes (or ownership company) corporate guarantee will include the equity portion of the transaction for the benefit of MZG.

It is agreed that the terms of this agreement will be worded and structure by our accountant for tax structuring purposes.

MarshallZehr GROUP

10. The Bonus Equity guaranteed amount will have security on the Mapleview Property behind the Second Mortgage but will have full corporate and personal guarantees.

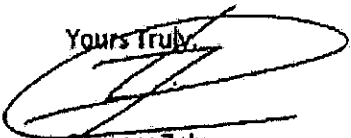
**Funding
Conditions:**

1. Satisfactory receipt and review of all standard project details and required security documents.
2. Receipt and satisfactory review of Agreement of Purchase & Sale documents.
3. Receipt and satisfactory review of Agreement of Purchase & Sale documents for lot purchases to Options for Homes and Baywood Homes.
3. Satisfactory review of a Phase 1 Environmental Report.
4. Copies of City of Barrie Tax Assessments and proof that taxes are current.
5. Proof that the 2nd mortgage for \$2,500,000 has been arranged and the funds have been proofed and will be advanced on closing of the 1st mortgage. 2nd mortgage terms must be approved by Lender.
6. Letters of Reliance on the environmental report and appraisal.
7. Documentation from the City of Barrie citing request for increased density in the form of the Official Plan Amendment stating that the density permitted is 120 units per hectare.
8. A joint venture agreement in satisfactory form to MZG shall have been entered into by MZG and the Borrower.
9. Understanding of corporate and management structure with project timeline and responsibilities outlined. MZG to be involved in the management process.
10. Satisfactory receipt and review of the updated appraisal.
11. MZG has the right to find an acceptable tax structure for the above terms that is acceptable to the Borrower.
12. Baywood Homes or the owners will participate in the Loan as a lender for \$1,500,000.00 and will agree to a Priorities Agreement where the Baywood Homes \$1,500,000 will be paid out behind all other 1st Mortgage principal including the MZG Bonus portion thereof.
13. The Lender agrees to advance the balance of the One Million (\$1,000,000.00) Dollars into the Loan on or before February 16th, 2010 or to reimburse Baywood Homes or their assignee.

This Commitment Letter is to replace the Commitment Letter signed on November 7th, 2009 and the executed Ryder of November 9th, 2009. The specifics of the mortgage are outlined in the December 2nd, 2009 Memo attached.

Acceptance: Please execute this Commitment Letter and return to MarshallZehr Group Inc. Please forward \$25,000 non-refundable. This fee is accepted upon signing of this commitment letter and is non-refundable. The \$25,000 deposit is payable with this signed letter and will be held "in trust" with SorbaraLaw.

MarshallZehr
GROUP

Yours Truly,

Gregory Zehr
MarshallZehr Group Inc.

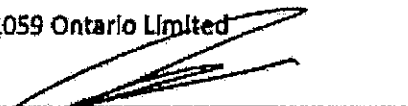
(Mortgage Agent - BLD Financial Inc., Brokerage Number: 10019)

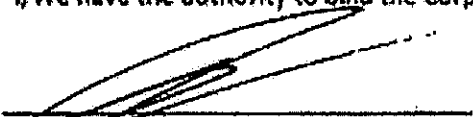
Borrower:

I HEREBY accept the terms and conditions as stated herein.

DATED at Waterloo, this 10th day of December, 2009.

2131059 Ontario Limited

Per: 
Ralph Canonaco
"I/We have the authority to bind the Corporation"

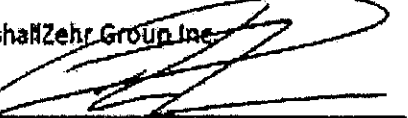

Ralph Canonaco

Lender:

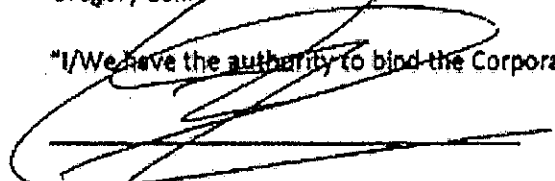
I HEREBY accept the terms and conditions as stated herein.

DATED at Waterloo, this 11th day of December, 2009.

MarshallZehr Group Inc.

Per: 
Gregory Zehr

"I/We have the authority to bind the Corporation"


Gregory Zehr

MarshallZehr

G R O U P

December 9, 2009

Standby Agreement - Mapleview

MarshallZehr Group Inc. (hereinafter "MZG"), licensed under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* with BLD Financial (Brokerage Num: 10019) has agreed to provide NewCo - "Mapleview Newco" and Baywood Homes Partnership (hereinafter the "Borrower") a 15 day guarantee for the required \$10,500,000 funding as per the MarshallZehr Group Inc. Commitment Letter of December 9, 2009. In return the borrower will pay a Standby Fee, to be held in Sorbara Law in Trust for the interest owing during that term. This is not the final closing documents for the Mortgage to "2131059 Ontario Limited" on the subject property is located in the City of Barrie. Pin Nos. 58091 -0288 and 58091 - 1689 known collectively as "Mapleview". If all of conditions are met as per the MarshallZehr Group Inc. Commitment Letter of December 9, 2009, prior to the end of the Standby Fee term of 15 days, then the mortgage will commence as per the terms of the agreed upon Commitment Letter of December 9, 2009.

Project: The subject property is located in the City of Barrie. Pin Nos. 58091 -0288 and 58091 - 1689 known collectively as "Mapleview".

Borrower: 2131059 Ontario Limited and Baywood Homes Partnership

Purpose: This agreement is to ensure that the \$10,500,000 will be maintained by MarshallZehr Group Inc. and will be available if the final conditions are waived on the MarshallZehr Group Inc. Commitment Letter of December 9, 2009 and the 1st Mortgage on "Mapleview" is in place, on or before the end of the Standby Fee Term.

Term of Standby Commitment: 15 days ending December 30th, 2009

Lender: MarshallZehr Group Inc. in Trust
465 Phillip St., Suite 206
Waterloo, ON, N2L6C7

Standby Fee Pricing: \$64,726.03 - pre-paid to the Lender upon receipt.

MZG Fee: \$25,000, which will be deemed earned at receipt by MZG and will be non-refundable to borrower.

Date of Standby Fee (Guaranteed Funds) to be received by "Sorbara Law in:
December 16th, 2009

Date of the Proofing of the \$10,500,000 (less \$400,000 MZG Investment) by MarshallZehr Group Inc. to the borrower: December 16th, 2009

*465 Phillip St., Suite 206, Waterloo, ON, N2L6C7
p. 519.342.0852 f. 519.342.0851
BLD Financial - Brokerage Num: 10019*

36

MarshallZehr
GROUP

Notes:

1. This agreement expired at the end of the 15 day term and the obligations of MZG as per the Commitment Letter of December 9, 2009 will also expire. ** Note: In the event that the Mortgage does not proceed The Breakage Fee is immediately due and payable to MZG.
2. The Standby Fee will be held in the Sorbara Law in Trust account and pre-paid to the Lender upon receipt.

**Breakage Fee: In the event that the Borrower chooses not to proceed with the funding of MZG, then the borrower agrees to immediately pay MZG a fee of \$250,000.00 to break the terms of the agreed Commitment Letter. This Breakage Fee will be guaranteed by Ralph Canonaco, Tony Canonaco, Frank Canonaco and Baywood Homes Partnership.

Please execute this document and return to us by December 9, 2009.

Yours Truly,

Gregory Zehr
MarshallZehr Group Inc.
(Mortgage Agent – BLD Financial Inc., Brokerage Number: 10019)

*465 Phillip St., Suite 206, Waterloo, ON, N2L6C7
p. 519.342.0852 f. 519.342.0851
BLD Financial – Brokerage Num: 10019*

MarshallZehr
GROUP

Borrower:

I HEREBY accept the terms and conditions as stated herein.

DATED at Waterloo, this 10th day of December, 2009.

2131059 Ontario Limited

Per: 

Ralph Canonaco

"I/We have the authority to bind the Corporation"


Ralph Canonaco

Lender:

I HEREBY accept the terms and conditions as stated herein.

DATED at Waterloo, this ____ day of December, 2009.

MarshallZehr Group Inc.

Per: _____

Gregory Zehr

"I/We have the authority to bind the Corporation"

Gregory Zehr

38

MarshallZehr
GROUP

January 4, 2010

Extension of Standby Agreement – Mapleview

This is an extension of the Standby Agreement dated December 9, 2009 and December 31, 2009.

The Borrower, 2131059 Ontario Limited and Baywood Homes Partnership, agrees to pay by certified funds to MarshallZehr Group Inc. "In Trust", a total of \$4,315.07 which is 1 day of interest calculated at 15% on the \$10,500,000.00 which is held in trust on or before January 5, 2010.

Please execute this document immediately and return to us today, January 4, 2010.

Yours Truly,

Gregory Zehr
MarshallZehr Group Inc.
(Mortgage Agent – BLD Financial Inc., Brokerage Number: 10019)

Borrower:
I HEREBY accept the terms and conditions as stated herein.

DATED at Toronto, this 4th day of January, 2010.

Per: 

Frank Canonaco

"I/We have the authority to bind the Corporation"

465 Phillip St., Suite 206, Waterloo, ON, N2L6C7
p. 519.342.0852 f. 519.342.0851
BLD Financial – Brokerage Num: 10019

MarshallZehr
GROUP

39

Guarantors:

Ralph Canonaco

I HEREBY accept the terms and conditions as stated herein.

DATED at Toronto, this 4th day of January, 2010.

Per: 

Ralph Canonaco by his Attorney, Frank Canonaco

Tony Canonaco

I HEREBY accept the terms and conditions as stated herein.

DATED at Toronto, this 4th day of January, 2010.

Per: 

Frank Canonaco

I HEREBY accept the terms and conditions as stated herein.

DATED at Toronto, this 4th day of January, 2010.

Per: 

Baywood Homes Partnership

I HEREBY accept the terms and conditions as stated herein.

DATED at Toronto, this 4th day of January, 2010.

Per: 

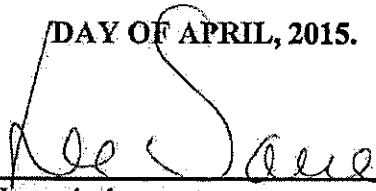
"I/We have the authority to bind the Corporation"

465 Phillip St., Suite 206, Waterloo, ON, N2L6C7

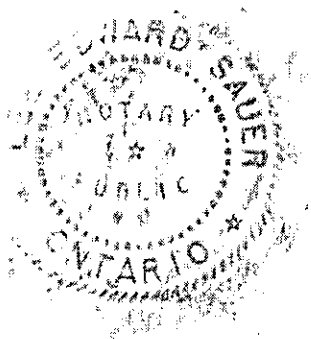
p. 519.342.0852 f. 519.342.0851

BLD Financial - Brokerage Num: 10019

THIS IS EXHIBIT "D" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29
DAY OF APRIL, 2015.



A Commissioner etc.



REGISTERED

41

LRO # 51 Charge/Mortgage

Received as SC792792 on 2009 12 31 at 11:41

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

yyyy mm dd Page 1 of 3

Properties

PIN 58091 - 1689 LT *Interest/Estate* Fee Simple

Description PT S1/2 LT 18 CON 12 INNISFIL PT 1 51R22928 EXCEPT PT 4 51R32586; S/T EASE OVER PTS 1, 2 & 3 51R32586 AS IN SC212816, S/T EASE IN GROSS OVER PT 8 ON PL 51R34165 AS IN SC510541; BARRIE

Address BARRIE

PIN 58091 - 0288 LT *Interest/Estate* Fee Simple

Description PCL 16-2 SEC 51INN12; PT S 1/2 OF LT 18 CON 12 INNISFIL PT 1 51R22937, S/T EASE IN GROSS OVER PT 6 PL 51R34165 AS IN SC510541; BARRIE

Address BARRIE

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 2131059 ONTARIO LIMITED

Address for Service 1140 Sheppard Avenue West #12
Toronto, Ontario, M3K 2A2

I, Frank Canonaco, President, have the authority to bind the corporation.

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

Chargee(s)	Capacity	Share
------------	----------	-------

<i>Name</i>	MARSHALLZEHR GROUP INC.	
<i>Address for Service</i>	465 Phillip Street, Suite 208 Waterloo, Ontario, N2L 6C7	

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$ 17,712,500.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	See Schedule		
<i>Balance Due Date</i>	See Schedule		
<i>Interest Rate</i>	See Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	See Schedule		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

LRO # 51 Charge/Mortgage

Received as SC792792 on 2009 12 31 at 11:41

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

yyyy mm dd Page 2 of 3

Signed By

Charlotte Ann Langill	300 Victoria St. N. Kitchener N2H 6R9	acting for Chargor(s)	Signed	2009 12 31
Tel 5195760460				
Fax 5195763234				

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

Submitted By

SORBARA, SCHUMACHER, MCCANN LLP	300 Victoria St. N. Kitchener N2H 6R9	2009 12 31
Tel 5195760460		
Fax 5195763234		

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

File Number

Chargor Client File Number :	58811
Chargee Client File Number :	58811

MARSHALLZEHR GROUP INC. IS HOLDING THE CHARGE/MORTGAGE AS
MARSHALLZEHR GROUP INC., IN TRUST

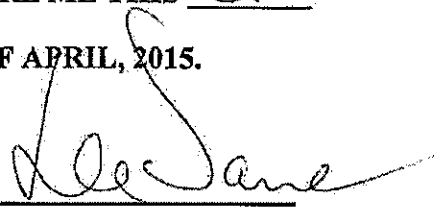
SCHEDULE

The amount of principal money secured by this Charge is the sum of Seventeen Million Seven Hundred and Twelve Thousand Five Hundred (\$17,712,500.00) Dollars (the "Principal Amount"), and the rate of interest chargeable thereon is equal to seven (7%) percent calculated and payable in advance annually per annum (the "Charge Rate"), as well after as before maturity of this Charge, and both before and after default and judgment until paid, all in accordance with the Loan Agreement entered into between the Chargor and Chargee.

Defeasance:

PROVIDED this Charge shall be void upon the Chargor, and its successors or assigns or any of them paying to the Chargee, its successors or assigns in lawful money of Canada, the Principal Amount with interest thereon computed from the date of advance thereof at the Charge Rate, payable annually in advance, as well after as before maturity and both before and after default and judgment until paid.

**THIS IS EXHIBIT "E" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29
DAY OF APRIL, 2015.**



A Commissioner etc.



MARSHALLZEHR GROUP INC., IN TRUST
SECURITY AGREEMENT

45

To: MARSHALLZEHR GROUP INC. in trust ("MZG")
465 Phillip Street, Suite 206
Waterloo, Ontario, N2L 6C7
Facsimile No. (519-342-0851)

From: 2131059 ONTARIO LIMITED (the "Debtor")
1140 Sheppard Avenue West #12
Toronto, Ontario, M3K 2A2
Facsimile No. ()

1. **General Security Interest.** As security for the payment and performance of all present and future indebtedness, liabilities and obligations of the Debtor to MZG, whether direct or indirect, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency or otherwise, under or in respect of agreements or dealings between the Debtor and MZG or agreements or dealings between the Debtor and others by which MZG may be or become in any manner whatsoever a creditor of the Debtor including, without limitation, Obligations under (i) any and all letter agreements and offers to finance or offers to lease (the "Offers of Finance") entered into by the Debtor and MZG from time to time, (ii) any promissory notes, guarantees or indemnities executed by the Debtor in favour of MZG, and (iii) this Security Agreement (all such indebtedness, liabilities, obligations, expenditures, costs and expenses are hereinafter collectively referred to as the "Obligations"), the Debtor hereby assigns, charges, pledges, mortgages and grants to MZG a security interest in all of the undertaking, property and assets of the Debtor, both real and personal, immovable and moveable, tangible and intangible, legal and equitable, of whatsoever nature and kind and whatsoever situate, now owned or hereafter acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any right, title or interest (all of which is hereinafter called the "Collateral"), including without limitation:

- (a) **Intangibles** - all intangible property including without limitation book debts and accounts, all contractual rights and insurance claims, licences, computer software, warranties, ownership certificates, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Debtor;
- (b) **Books & Records** - all of the Debtor's, manuals, publications, letters, deeds, documents, writings, papers, invoices, 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;
- (c) **Equipment** - all of the Debtor's tools, machinery, equipment, apparatus, furniture, plants, fixtures, vehicles and other tangible personal property, other than inventory (as defined below), (collectively, the "Equipment") including, without limitation, the Equipment described in Schedule "A" hereto;
- (d) **Inventory** - all of the Debtor's tangible personal property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in a business or profession (collectively, the "Inventory");
- (e) **Real Property** - all of the Debtor's real and immovable property, both freehold and leasehold, now or hereafter owned, acquired or occupied by the Debtor, together with all buildings, erections, improvements and fixtures situate upon or used in connection therewith, including any lease, verbal or written or any agreement therefor, (collectively, the "Real Property") 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 Debtor, is excepted out of the Real Property charged by this Security Agreement, but should such charge become enforceable the Debtor shall thereafter stand possessed of the last day of such leasehold interest upon trust to assign and dispose thereof as MZG may direct;
- (f) **Other Property** - the Debtor's undertaking and all of the Debtor's other property and assets including, without limitation, uncalled capital, judgments, rights, franchises, chattel paper, documents of title, goods, instruments, money and securities (as those terms are defined in the Personal Property Security Act governing this Security Agreement); and
- (g) **Proceeds** - all of the Debtor's property in any form derived directly or indirectly from any use or dealing with the Collateral or that indemnifies or compensates for loss of or damage to the Collateral (collectively, the "Proceeds");

2. **Attachment.** The security interest given hereunder will attach immediately upon the execution of this Security Agreement. The security interest granted hereby has not been postponed and will attach to any particular Collateral as soon as the Debtor has rights in such Collateral.

3. **Representations and Warranties of the Debtor.** The Debtor represents and warrants to MZG as follows:

- (a) The Debtor now owns or will own the Collateral, as the case may be, free and clear of any prior lien, security interest or encumbrance save and except for the security interest granted hereby and for those encumbrances as shown in Schedule "B" which have been validly perfected ("Permitted Encumbrances");
- (b) This Security Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Debtor;
- (c) The authorization, creation, execution and delivery of this Security Agreement and compliance with its terms
 - (i) does not and shall not contravene any applicable law, regulation, rule, order, judgment or injunction or the charter documents, by-laws or any unanimous shareholders' agreement of the Debtor; and
 - (ii) does not and shall not result in a breach of or a default under any indenture, instrument, lease, agreement or undertaking to which the Debtor is a party or by which it or the Collateral is or may become bound.

4. **General Covenants.** The Debtor hereby declares, covenants and agrees that it:

- (a) **Pay Costs** - shall pay all costs and expenses (including legal fees and disbursements on a solicitor and own client basis) of MZG incidental to or which in any way relates to this Security Agreement or its enforcement, including (i) the preparation, execution and filing of this Security Agreement and any instruments postponing, discharging, amending, extending or supplemental to this Security Agreement or any security required by any Offer of Finance ("MZG's Security"); (ii) perfecting and keeping perfected MZG's Security; (iii) maintaining the intended priority of MZG's Security on all or any part of the Collateral; (iv) taking, recovering or possessing the Collateral; (v) taking any actions or other proceedings to enforce the remedies provided herein or otherwise in relation to this Security Agreement or the Collateral, or by reason of a default under MZG's Security or the Offer of Finance or the non-payment of the moneys hereby secured; (vi) taking proceedings, giving notices and giving responses required under any applicable law concerning or relating to MZG's Security, including compliance with the provisions of applicable bankruptcy, insolvency, personal property security and mortgage enforcement legislation; (vii) responding to or participating in proceedings in the nature of those described in Sections 14(d), (e) and (f) hereof; and (viii) obtaining the advice of counsel and other advisors in relation to the foregoing;

all such costs and expenses and other monies payable hereunder, together with interest at the highest rate chargeable by MZG from time to time on the Obligations, shall form part of the Obligations, shall be payable by the Debtor on demand and shall be secured hereby;

- (b) **To Pay Rents and Taxes** - shall pay all rents, taxes and assessments lawfully imposed upon the Real Property where the Collateral is located or any part thereof when the same becomes due and payable, and shall show to MZG on request receipts for such payment;
- (c) **To Maintain Corporate Existence and Security** - shall maintain its corporate existence, shall maintain the security hereby created as valid, effective and perfected security at all times, shall observe and perform all of its obligations under leases, licences and other agreements to which it is a party so as to preserve and protect the Collateral and its value;
- (d) **Not to Sell** - shall not, except for inventory sold in the ordinary course of business and except as otherwise permitted hereunder, remove, destroy, lease, sell or otherwise dispose or part with possession of any of the Collateral; provided that the Debtor may sell or otherwise dispose of furniture, machinery, equipment, vehicles and accessories which have become worn out or damaged or otherwise unsuitable for their purposes on condition that it shall substitute therefor, subject to the lien hereof and free from prior liens, security interests or encumbrances, property of equal value so that the security hereby constituted shall not thereby be in any way reduced or impaired;
- (e) **No Other Liens** - shall not create, assume or suffer to exist any charge, lien, federal or provincial government priority claim arising pursuant to statute including any deemed trust, security interest or encumbrance upon any Collateral other than Permitted Encumbrances. No provision hereof shall be construed as a subordination or postponement of the security interest created hereunder to or in favour of any other charge, lien, security interest or encumbrance, whether or not it is a Permitted Encumbrance, except that the Debtor may give security to its bankers on its inventory or

- under assignments of its accounts receivable (except to the extent that such accounts receivable represent proceeds of the sale or disposition of Equipment or Real Property) and such security, if validly perfected, shall rank prior to the interest granted hereby on such Inventory and accounts receivable without further action by MZG;
- (f) **To Hold Proceeds of Unauthorized Sale in Trust** - in the event the Collateral or any part thereof is sold or disposed of prior to the full discharge of this Security Agreement by MZG, in any manner not authorized by this Security Agreement, shall hold all proceeds of such sale or disposition received by the Debtor as trustee for MZG until the Debtor has been fully released from this Security Agreement by MZG;
- (g) **To Insure** - shall keep insured the Collateral to its full insurable value or in such amounts as MZG may reasonably require against all risks, with insurers approved by MZG and will pay all premiums necessary for such purposes as the same shall become due; the proceeds under all policies of insurance are hereby assigned to MZG subject to Permitted Encumbrances as further security hereunder and shall be payable to MZG as its interest may appear and contain such mortgage clauses as MZG may require; such policies or contracts shall be in terms reasonably satisfactory to MZG and at the request of MZG shall be delivered to and held by MZG subject to the rights of the holders of Permitted Encumbrances;
- (h) **To Furnish Proofs** - shall forthwith on the happening of any loss or damage furnish at its expense all necessary proofs and do all necessary acts to enable MZG to obtain payment of the insurance moneys subject to the rights of the holders of Permitted Encumbrances;
- (i) **Inspection by MZG** - shall allow any employees or third parties retained by MZG at any reasonable time to enter the premises of the Debtor or others to inspect the Collateral and to inspect the books and records of the Debtor relating to the Collateral and make extracts therefrom, and shall permit MZG prompt access to such other persons, as MZG may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Collateral or the books and records of the Debtor relating to the Collateral, provided that any information so obtained shall be kept confidential, save as required by MZG in exercising its rights hereunder or pursuant to any applicable law or court order. The Debtor shall pay all costs and expenses of third parties (including legal fees and disbursements on a solicitor and own client basis) retained by MZG for purposes of inspection under this Section 4(i);
- (j) **Use and Maintenance** - shall cause the Equipment and inventory to be operated in accordance with any applicable manufacturer's manuals or instructions, by competent and duly qualified personnel. Any and all additions and accessions to and parts and replacements for the Equipment or Inventory shall immediately become subject to the security interest created hereby. The Debtor shall not change the intended use of the Collateral without the prior written consent of MZG which will not be unreasonably withheld or delayed;
- (k) **Location of Collateral** - shall keep the Collateral at the locations set forth in Schedule "A" hereto, except for goods in transit to such locations, or Inventory on lease or consignment, or with the prior written consent of MZG;
- (l) **No Affixation** - shall not permit the Collateral to be attached to or affixed to real or other personal property without the prior written consent of MZG which will not be unreasonably withheld or delayed. The Debtor shall obtain and deliver to MZG such waivers as MZG may reasonably request from any owner, landlord or mortgagee of premises on which the Collateral is located or to which the Collateral may become affixed or attached. The Debtor shall promptly do, execute and deliver all such further acts, documents, agreements or assurances as MZG may reasonably require for giving effect to the intent of this Security Agreement and shall register such notice or documents against the title to such premises as MZG may reasonably request to protect its interests hereunder and shall maintain plates or marks showing the name of MZG upon the Collateral as requested;
- (m) **Not to Remove** - prior to moving any of the Collateral from any location indicated in Schedule "A" hereto, or to leasehold property, the Debtor shall effect such further registrations and obtain such other consents and give such other security, at the sole cost and expense of the Debtor, as may be required or desirable to protect or preserve the security hereby created and to maintain the priority intended to be granted to MZG hereunder as against all others including landlords, and the Debtor shall forthwith notify MZG of the intended removal and the action proposed to be taken;

(n) Compliance with Environmental Laws

- (i) shall conduct and maintain its business, operations, Real Property and the Collateral so as to comply in all respects with all applicable Environmental Laws, including obtaining all necessary licenses, permits, consents and approvals required to own or operate the Collateral and the business carried out on, at or from the Real Property;
- (ii) except as specifically permitted by MZG in writing, it shall not permit or suffer to exist, Contaminants or dangerous or potentially dangerous conditions in, on or below the Real Property including, without limitation, any polychlorinated biphenyls, radio-active substances, underground storage tanks, asbestos or urea formaldehyde foam insulation;
- (iii) has no knowledge of the existence of Contaminants or dangerous or potentially dangerous conditions at, on or under the Real Property or any properties in the vicinity of the Real Property which could affect the Real Property or the market value thereof or in levels that exceed the standards in Environmental Laws;
- (iv) has no knowledge of the Real Property, or any portion thereof, having been used for the disposal of waste;
- (v) has not given or received, nor does it have an obligation to give, any notice, claim, communication or information regarding any past, present, planned or threatened treatment, storage, disposal, presence, release or spill of any Contaminant at, on, under or from the Real Property or any property in the vicinity of the Real Property, including any notice pursuant to any Environmental Laws or any environmental report or audit. The Debtor shall notify MZG promptly and in reasonable detail upon receipt of any such claim, notice, communication or information or if the Debtor becomes aware of any violation or potential violation of the Debtor of any Environmental Laws and shall describe therein the action which the Debtor intends to take with respect to such matter;
- (vi) shall at the Debtor's expense establish and maintain a system to assure and monitor continued compliance with, and to prevent the contravention of, Environmental Laws, which system shall include periodic reviews of such compliance system and the Debtor shall provide an annual report to MZG regarding the Debtor's environmental performance, and the effectiveness of such system;
- (vii) shall promptly advise MZG in writing of any material adverse change in the environmental or other legal requirements affecting the Debtor or the Collateral or the Real Property upon the Debtor becoming aware of any such change, and the Debtor shall provide MZG with a copy of any of the orders, by-laws, agreements or other documents pursuant to which any such change is effected or documented;
- (viii) shall at the Debtor's expense promptly take or cause to be taken any and all necessary remedial or clean-up action in response to the presence, storage, use, disposal, transportation, release or discharge of any Contaminant in, on, under or about any of the Real Property, or used by the Debtor, in compliance with all material laws including, without limitation, Environmental Laws, and in accordance with the orders and directions of all applicable federal, state, provincial, municipal and local governmental authorities;
- (ix) shall deliver to MZG a true and complete copy of all environmental audits, evaluations, assessments, studies or tests relating to the Real Property, the Collateral or the Debtor now in its possession or control or forthwith after the completion thereof, or upon such materials coming into the Debtor's possession or control;
- (x) shall at the Debtor's expense, if reasonably requested by MZG in writing, retain an environmental consultant acceptable to MZG, acting reasonably, to undertake environmental tests and to prepare a report or audit with respect to the Real Property and deliver same to MZG for its review; and
- (xi) shall indemnify and save harmless MZG, its officers, directors, employees, agents and shareholders from and against all losses, liabilities, damages or costs (including legal fees and disbursement on a solicitor and own client basis) suffered including, without limitation, the cost or expense of any environmental investigation, the preparation of any environmental or similar report, and the costs of any remediation arising from or relating to any breach of the foregoing

covenants of this Section 4(n) , any breach by the Debtor or any other person now or hereafter having an interest in the Collateral or the Real Property which is asserted or claimed against MZG; the presence, in any form, of any Contaminant on or under the Real Property, or the discharge, release, spill or disposal of any contaminant by the Debtor, which is asserted or claimed against any of these Indemnified persons. This indemnity shall survive the payment in full of all amounts secured hereby and the discharge of this Security Agreement. MZG shall hold the benefit of this indemnity in trust for those indemnified persons who are not parties to this Security Agreement.

(xii) For the purposes hereof:

- a. "Contaminant" means any solid, liquid, gas, odour, heat, sound, smoke, waste, vibration, radiation or combination of any of them resulting directly or indirectly from human activities that may cause: (i) impairment of the quality of the natural environment for any use that can be made of it, (ii) injury or damage to property or to plant or animal life, (iii) harm or material discomfort to any person, (iv) an adverse affect on the health of any person, (v) impairment of the safety of any person, (vi) rendering any property or plant or animal life unfit for use by man, (vii) loss of enjoyment of normal use of property, or (viii) interference with the normal conduct of business, and includes any pollutant or contaminant as defined in any applicable Environmental Laws and any biological, chemical or physical agent which is regulated, prohibited, restricted or controlled; and
- b. "Environmental Laws" means the common law and all applicable federal, provincial, local, municipal, governmental or quasi-governmental laws, rules, regulations, policies, guidelines, licences, orders, permits, decisions or requirements concerning Contaminants, occupational or public health and safety or the environment and any other order, injunction, judgment, declaration, notice or demand issued thereunder.

(o) Financial Statements - shall deliver to MZG, in accordance with the terms of any Offers of Finance, its interim and annual financial statements, all of which financial statements shall be signed by an authorized officer of the Debtor and prepared in accordance with generally accepted accounting principles. The Debtor shall at the same time deliver to MZG copies of all management reports prepared by the accountants or auditors of the Debtor together with any other statements stipulated in any Offer of Finance;

(p) Offers of Finance - shall comply with all provisions of the Offers of Finance, including executing and delivering all such documents as may be necessary to maintain in force the pre-authorized payment system specified in any Offer of Finance.

5. **Collection of Debts.** Upon the occurrence of an event of default, hereunder, MZG may, without exercising any of its other rights or remedies hereunder, give notice of the security interest in, and the assignment to, MZG of any debt or liability forming part of the Collateral and may direct such person to make all payments on account of any such debt or liability to MZG.

6. **Waiver of Covenants.** MZG may waive in writing any breach by the Debtor of any of the provisions contained in this Security Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, provided that no such waiver or any other act, failure to act or omission by MZG shall extend to or be taken in any manner to affect any subsequent breach or default or the rights of MZG resulting therefrom.

7. **Performance of Covenants by MZG.** If the Debtor shall fail to perform any covenant on its part herein contained, MZG may in its absolute discretion perform any such covenant capable of being performed by it, but MZG shall be under no obligation to do so. If any such covenant requires the payment of money or if the Collateral or any part thereof shall become subject to any charge, lien, security interest or encumbrance ranking in priority to the security interest created hereby, MZG may in its absolute discretion make such payment and/or pay or discharge such charge, lien, security interest or encumbrance, but MZG shall be under no obligation to do so. All sums so paid by MZG, together with interest at the highest rate chargeable by MZG from time to time on the Obligations, shall be payable by the Debtor on demand and shall constitute a charge upon the Collateral. No such performance or payment shall relieve the Debtor from any default hereunder or any consequences of such default.

8. **Appointment of Monitor.** If in the opinion of MZG, acting reasonably, a material adverse change has occurred in the financial condition of the Debtor, or if MZG in good faith believes that the ability of the Debtor to pay any of its obligations to MZG or to perform any other covenant contained herein has become impaired or if an event of default has occurred, MZG may by written notice to the Debtor, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Collateral, the Debtor or its business and affairs for the purpose of reporting to MZG. The Debtor shall give the Monitor its full cooperation, including full access to facilities, assets and records of the Debtor and to its creditors,

customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Debtor nor shall it participate in the management of the Debtor's affairs and shall incur no liability in respect thereof or otherwise in connection with the Debtor, its business and affairs or the Collateral. The Monitor shall act solely on behalf of MZG and shall have no contractual relationship with the Debtor as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Security Agreement. All reasonable fees and expenses of the Monitor (including legal fees and disbursements on a solicitor and own client basis) shall be paid by the Debtor upon submission to it of a written invoice therefor. MZG may at its option upon the occurrence of an event of default appoint or seek to have appointed the Monitor as receiver, receiver and manager, liquidator, or trustee in bankruptcy of the Debtor or the Collateral or any part thereof.

9. **Application of Insurance Proceeds.** Any insurance moneys received by MZG may at the option of MZG be applied to rebuilding or repairing the Collateral, or be paid to the Debtor, or any such moneys may be applied in the sole discretion of MZG, in whole or in part, to the repayment of the Obligations or any part thereof whether then due or not, with any partial payments to be credited against principal instalments payable thereunder in inverse order of their maturity dates.

10. **No Merger or Novation.** The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Debtor to perform its obligations hereunder or to pay the Obligations hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of MZG to interest in effect from time to time hereunder and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Security Agreement or of any instruments or documents supplemental hereto shall not operate as a merger of any representation, warranty, term, condition or other provision contained in any other obligation or indebtedness of the Debtor to MZG or under any Offer of Finance.

11. **Security in Addition.** The security hereby constituted is in addition to any other security now or hereafter held by MZG. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the security created hereby.

12. **Partial Discharges.** MZG may in its sole discretion grant partial discharges or releases of security in respect of any of the Collateral on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the remainder of the security created hereby nor shall it alter the obligations of the Debtor under the Obligations or hereunder.

13. **Notice of Change.** The Debtor shall immediately notify MZG in writing of any proposed change and any actual change in the Debtor's name or address or the location of the Collateral. The Debtor agrees to execute at the Debtor's expense, any instruments, notices or other documents required to effect any registration which MZG deems necessary to protect its interest in the Collateral in any jurisdiction.

14. **Events of Default.** Each of the following events shall constitute an "event of default":

- (a) the Debtor does not pay any of the Obligations when due;
- (b) the Debtor ceases or threatens to cease to carry on its business or defaults in the performance or observance of any of the covenants in Sections 4(d), (e), (l) or (m) or Section 8 hereof;
- (c) if the Debtor defaults in the performance or observance of any condition or covenant contained in this Security Agreement, other than as referred to elsewhere in this Section 14, in any other security previously, now or hereafter granted to MZG by the Debtor or in any other instrument or agreement (including any offer of finance) which the Debtor and MZG are parties to (whether alone or with others) or issued by either the Company or MZG to the other, and such default continues for ten (10) days after written notice thereof to the Debtor by MZG;
- (d) the Debtor becomes bankrupt or insolvent or commits an act of bankruptcy, or any proceeding is commenced against, by or affecting the Debtor:
 - (i) seeking to adjudicate it a bankrupt or insolvent;
 - (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation or organization); or
 - (iii) seeking appointment of a receiver, receiver and manager, liquidator, trustee, agent, custodian or other similar official for it or for any part of its properties and assets, including the Collateral or any part thereof;

- (e) any order or judgment is issued by a court granting any of the relief referred to in Section 14(d) hereof;
- (f) if an encumbrancer or secured creditor shall appoint a receiver or agent or other similar officer over any part of the Collateral, or take possession of any part of the Collateral or if any execution, distress or other process of any court becomes enforceable against any Collateral, or a distress or like process is levied upon any of such Collateral;
- (g) if the Debtor takes any proceedings for its dissolution, liquidation or amalgamation with another company or if the legal or corporate existence of the Debtor shall be terminated by expiration, forfeiture or otherwise;
- (h) if there is any material misrepresentation or misstatement contained in any certificate or document delivered by an officer or director of the Debtor in connection with any financing provided by MZG;
- (i) if any representation, warranty or statement made on behalf of the Debtor in any Offer of Finance or any Instrument made pursuant thereto is or becomes untrue in any material respect;
- (j) if any guarantor of the obligations of the Debtor to MZG defaults in the performance of any condition or covenant in favour of MZG or if any party to an instrument or agreement supplemental or collateral to this Security Agreement or the financing provided for herein defaults thereunder, and such default continues for ten (10) days after written notice thereof to the Debtor by MZG;
- (k) if MZG, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the Obligations is or is about to be impaired or that the Collateral or any part thereof is or is about to be placed in jeopardy;
- (l) if voting control of the Debtor as provided for in any Offer of Finance or as subsequently effected with MZG's prior written consent, shall change without the prior written consent of MZG; or
- (m) if a default occurs under any agreement, promissory note, debt obligation, guarantee or otherwise now or hereafter granted to any other bank or financial institution by the Debtor.

15. Enforcement. Upon the happening of any event of default, the security granted herein shall become immediately enforceable and MZG may at its option declare this Security Agreement to be in default and may exercise any rights, powers or remedies available to MZG at law or in equity or under the Personal Property Security Act or other applicable legislation and, in addition, may exercise one or more of the following rights, powers or remedies, which rights, powers and remedies are cumulative:

- (a) to declare the full amount of the Obligations to be immediately due and payable;
- (b) to terminate the Debtor's right to possession of the Collateral, cause the Debtor to immediately assemble and deliver the Collateral at such place or places as may be specified by MZG, and enter upon the premises where the Collateral is located and take immediate possession thereof, whether it is affixed to the realty or not, and remove the Collateral without liability to MZG for or by reason of such entry or taking of possession, whether for damage to property caused by taking such or otherwise;
- (c) to enter upon and hold, possess, use, repair, preserve and maintain all or any part of the Collateral and make such replacements thereof and additions thereto as MZG shall deem advisable;
- (d) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon the whole of any part of the Collateral whether by public or private sale as MZG in its absolute discretion may determine without notice to the Debtor or advertisement and after deducting from the proceeds of sale (including legal fees and disbursements on a solicitor and his own client basis) incurred in the repossession, sale, lease or other disposition of the Collateral apply the proceeds thereof to the Obligations in the manner and order to be determined by MZG, provided however that MZG shall only be liable to account to the Debtor, any subsequent encumbrancers and others for money actually received by MZG and provided that the Debtor shall pay any deficiency forthwith;
- (e) to appoint by instrument in writing any person or persons to be a receiver or receiver and manager of all or any portion of the Collateral, to fix the receiver's remuneration and to remove any receiver so appointed and appoint another or others in its stead;
- (f) to apply to any court of competent jurisdiction for the appointment of a receiver or receiver and manager for all or any portion of the Collateral;

(g) to retain the Collateral in satisfaction of the Obligations.

16. Powers of Receiver.

(a) Any receiver (which term includes a receiver and manager) shall have all of the powers of MZG set forth in this Security Agreement and, in addition, shall have the following powers:

- (i) to lease all or any portion of the Collateral and for this purpose execute contracts in the name of the Debtor, which contracts shall be binding upon the Debtor and the Debtor hereby irrevocably constitutes such receiver as its attorney for such purposes;
- (ii) to take possession of the Collateral, collect all rents, issues, incomes and profits derived therefrom and realize upon any additional or collateral security granted by the Debtor to MZG and for that purpose may take any proceedings in the name of the Debtor or otherwise; and

to carry on or concur in carrying on the business which the Debtor is conducting and for that purpose the receiver may borrow money on the security of the Collateral in priority to this Security Agreement;

(b) Any receiver appointed pursuant to the provisions hereof shall be deemed to be the agent of the Debtor for the purposes of:

- (i) carrying on and managing the business and affairs of the Debtor, and
- (ii) establishing liability for all of the acts or omissions of the receiver while acting in any capacity hereunder and MZG shall not be liable for such acts or omissions.

provided that, without restricting the generality of the foregoing, the Debtor irrevocably authorizes MZG to give instructions to the receiver relating to the performance of its duties as set out herein.

17. Application of Moneys. All moneys actually received by MZG or by the receiver pursuant to Sections 15 and 16 of this Security Agreement shall be applied:

- (a) first, in payment of those claims, if any, of secured creditors of the Debtor (including any claims of the receiver pursuant to Section 16(a), ranking in priority to the charges created by this Security Agreement as directed by MZG or the receiver;
- (b) second, in payment of all costs, charges and expenses of and incidental to the appointment of the receiver (including legal fees and disbursements on a solicitor and own client basis) and the exercise by the receiver or MZG of all or any of the powers granted to them under this Security Agreement, including the reasonable remuneration of the Receiver or any agent or employee of the receiver or any agent of MZG and all outgoings properly paid by the receiver or MZG in exercising their powers as aforesaid;
- (c) third, in or towards the payment to MZG of all other obligations due to it by the Debtor in such order as MZG in its sole discretion may determine;
- (d) fourth, in or towards the payment of the obligation of the Debtor to persons if any, with security interests against Collateral ranking subsequent to those in favour of MZG; and
- (e) fifth, subject to applicable law any surplus shall be paid to the Debtor.

18. Possession of Collateral. The Debtor acknowledges that MZG or any receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from MZG or any such Receiver to assemble and deliver possession of the Collateral at such place or places as directed.

19. Deficiency. The Debtor shall remain liable to MZG for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by MZG and applied in accordance with the provisions of Section 17(c) hereof.

20. Assignment. This Security Agreement may be assigned by MZG to any other person and, if so assigned, the assignee shall have and be entitled to exercise any and all discretions, rights and powers of MZG hereunder, and all references herein to MZG shall include such assignee. The Debtor may not assign this Security Agreement or any of its rights or obligations hereunder. This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Security Agreement and the security interest or any part thereof to enforce any rights hereunder, the Debtor shall

not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against MZG.

21. **Limited Power of Attorney.** The Debtor hereby appoints MZG as the Debtor's attorney, with full power of substitution, in the name and on behalf of the Debtor, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Debtor has agreed to execute, deliver and do hereunder, under any Offer of Finance or otherwise, or as may be required by MZG or any receiver to give effect to this Security Agreement or in the exercise of any rights, powers or remedies hereby conferred on MZG or any receiver, and generally to use the name of the Debtor in the exercise of all or any of the rights, powers or remedies hereby conferred on MZG or any receiver. This appointment, being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Debtor or for any other reason.

22. **Severability.** Each of the provisions contained in this Security Agreement is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Security Agreement.

23. **Notices.** Any notice required or desired to be given hereunder or under any Offer of Finance or under any instrument supplemental hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to MZG or to the Debtor at their respective addresses set out above and, in the case of electronic communication, to the facsimile numbers set out above. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice sent by facsimile or other means of electronic transmission shall be deemed to have been delivered on the Business Day following the sending of the notice, and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments herein referred to may be changed by notice in writing given pursuant hereto.

Notwithstanding the foregoing, if the Personal Property Security Act requires that notice be given in a special manner, then such notice or communication shall be given in such manner.

24. **General.**

- (i) The Debtor authorizes MZG to file such financing statements, notices of security interest, caveats and other documents and do such acts and things as MZG may consider appropriate to perfect its security in the Collateral, to protect and preserve its interest in the Collateral and to realize upon the Collateral.
- (ii) Nothing in this Security Agreement will in any way obligate MZG to advance any funds, or otherwise make or cause to make credit available to the Debtor, nor will MZG have any liability for any failure or delay in its part to exercise any rights hereunder.
- (iii) If more than one Debtor executes this Security Agreement, the obligations of such Debtors hereunder shall be joint and several.
- (iv) The division of this Security Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Security Agreement.
- (v) When the context so requires, the singular shall include the plural and vice versa and words importing gender include all genders; all rights, advantages, privileges, immunities, powers and things hereby secured to the Debtor shall be equally secured to and exercised by its successors and assigns.
- (vi) Time is of the essence in this Security Agreement.
- (vii) The Debtor, if a corporation, waives the rights, benefits and protection given by and agrees that The Limitation of Civil Rights Act and The Land Contracts (Actions) Act, both of Saskatchewan, shall not apply to this Security Agreement or to any agreement renewing or extending this Security Agreement or to the rights, powers or remedies of MZG under this Security Agreement or under any agreement renewing or extending this Security Agreement.

25. **Receipt.** The Debtor acknowledges that it has received an executed copy of this Security Agreement and, to the extent permitted by law, waives all rights to receive from MZG a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Security Agreement or any supplemental or collateral security granted to MZG.

26. **Governing Law.** This Security Agreement or any amendment or renewal thereof will be governed by and construed in accordance with the laws of Ontario and the laws of Canada applicable therein and the Debtor hereby irrevocably attorns to the jurisdiction of the courts of such province.

The Debtor has duly executed this Security Agreement on the 30th day of December, 2009.

2131059 ONTARIO LIMITED

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____
I/We have authority to bind the Corporation

c/s

Schedule "A"

Location of Collateral:

Part S $\frac{1}{2}$ Lot 16, Conc. 12, Innisfil being Part 1 on 51R-22928, except Part 4 on 51R-32586; s/t easement over parts 1, 2 and 3 on 51R-32586 as in SC212816, s/t easement in gross over Part 8 on 51R-34165 as in SC510541; Barrie and being PIN 58091-1689

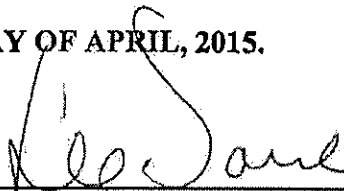
and
PCL 16-2 Sec 51 Innisfil 12; Part S $\frac{1}{2}$ of Lot 16, Conc. 12, Innisfil being Part 1 on 51R-22937; s/t easement in gross over part 6 on 51R-34165 as in SC510541; Barrie and being PIN 58091-0288

Schedule "B"

PERMITTED ENCUMBRANCES

- (i) liens for taxes, assessments, governmental charges or levies not at the time due;
- (ii) easements, rights of way or other similar rights in land which in the aggregate do not materially impair the usefulness in the business of the Debtor of the property subject thereto;
- (iii) rights reserved to or vested in any municipal, governmental or other public authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision, to terminate the same or to require annual or other periodic payments as a condition to the continuance thereof;
- (iv) any charge, lien, security interest or encumbrance the validity of which is being contested by the Debtor in good faith and in respect of which either there shall have been deposited with MZG cash in an amount sufficient to satisfy the same or MZG shall be otherwise satisfied that its interests are not prejudiced thereby;
- (v) validly perfected security given by the Debtor to its bankers on its inventory or under assignments of its accounts receivable, except to the extent that such accounts receivable represent proceeds of the sale or disposition of Equipment or Real Property; and
- (vi) purchase money security interests consisting of any validly perfected charge, lien, security interest or other encumbrance, created, assumed or arising by operation of law after the date hereof, to provide or secure the whole or any part of the consideration for the acquisition of tangible personal property other than inventory, where
 - (A) the principal amount secured thereby does not exceed the cost to the Debtor of such property,
 - (B) the Debtor's obligation to repay is secured only by the property so acquired by the Debtor,
 - (C) the property is not being acquired as a replacement or substitution for property and assets which are specifically charged hereby, and
 - (D) such security includes the renewal or refinancing of any such purchase money security interest on the same property provided that the indebtedness secured and the security therefor is not increased and remains validly perfected.

**THIS IS EXHIBIT "F" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29
DAY OF APRIL, 2015.**



A Commissioner etc.



Salem Project Assumptions:

- Baywood to pursue draft plan and zoning approval of the land as per concept plan – unit yield dated March 30, 2012 and continued consultation with MarshallZehr Group Inc. at Baywood's cost.
- MarshallZehr Group Inc. must be fully satisfied that the City of Barrie will cooperate with Baywood on their OMB application for Draft Plan Approval as well as of the other issues that are being reasonably being dealt with.

Loan Amount:

CAD 14,400,000.00 (the "Loan"). *Included in this amount is an interest reserve of CAD 864,000.00 for 11 months, closing costs of CAD 35,400.00 and CAD 500,000.00 for working capital, to be held by MarshallZehr Group Inc. in Trust to satisfy future approved expenses related to the Draft Plan Approval process. Current first mortgage to be replaced and outstanding balance applied to this mortgage. CAD 1,400,000.00 will be advanced within 30 days of July 5, 2012 and interest will begin to accrue on the CAD 1,400,000 on the date it is advanced. The Borrower shall advance \$ 252,000.00 of the initial working capital to fund required payables to date.

Term:

12 months open (commencing from the date of the initial advance (the "Interest Adjustment Date" or "IAD")).

Interest Rate: 9.75% per annum, for the first 11 months of the term, as follows: 6.55% with interest only payments made monthly from the interest reserve. To be made by way of direct withdrawal from the Borrower's account upon the depletion of the Interest Reserve and 3.2% per annum, compounding annually, not in advance with all interest accruing to the end of the Term and payable on maturity.

The interest rate shall be 9.75% per annum for the first 11 months of the term and in the 12th month will increase to 25.00% per annum, calculated, compounded and payable in arrears monthly thereafter. → 15.00%

Note: Interest is calculated on the day of closing of the transaction and will be charged on the day of payment of the mortgage if it is received after 1 p.m. EST.

Principal Payments:

There shall be no regularly scheduled principal repayments and the entire outstanding principal amount shall become due and payable at maturity.

Prepayment:

The mortgage may be prepaid in whole or in part at any time or times.

Broker Fees:

The Borrower shall pay the following broker fees to the transaction mortgage broker, Clarity Mortgage Inc.:

Broker Fee: 1.5% of the borrowed amount OR CAD 216,000 paid at the end of the term.

Good Faith Deposit: N/A

685 Phillip St., Suite 206, Waterloo, ON, N2L4C7
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FSCO Fee: An additional fee of CAD 1,250.00 payable to Clarify Mortgage Inc. will be paid by the Borrower upon the funding of the CAD 1,400,000.00 in order to complete the FSCO required documentation.

* or the mortgage brokerage that holds the licenses for Greg Zehr and David Marshall at the time.

Standby Fee: Once the Commitment Letter is executed, interest will begin to accrue from and after July 5, 2012 in the form of Standby Interest that will be payable by the Borrower on a bi-weekly basis as an interest only payment at the rate of 12% per annum until the mortgage is registered and not until that time will the interest rate and payments as before mentioned in this Commitment letter begin.

Lender Fees: If applicable.

Expenses: All reasonable expenses of the Lender and the Borrower shall be paid by the Borrower including (but not limited to), the cost of any third party reports and all legal costs. Upon request the Lender shall provide an estimate of the legal fees to be incurred by the Lender. Regardless, the Borrower is responsible for all reasonable legal fees incurred by the Lender.

No Subordinate Financing:

No additional financing will be permitted other than the existing second, ^{and} third and fourth mortgages.

Maximum Rate of Return:

The parties agree that notwithstanding any agreement to the contrary, no interest on the credit advanced will be payable in excess of that permitted by the laws of Canada.

If the effective annual rate of interest calculated in accordance with generally accepted actuarial practices and principles would exceed sixty percent (or such other rate as the Parliament of Canada may deem from time to time as The Criminal Rate) on the credit advanced, then (1) the amount of any fees, bonus, commissions or like charges payable in connection therewith will be reduced to the extent necessary to eliminate such excess; (2) any remaining excess that has been paid will be credited toward prepayment of the credit advanced; and (3) any overpayment that may remain after such crediting will be returned forthwith upon demand. In this paragraph the terms "interest", "Criminal Rate" and "credit advanced" have the meaning ascribed to them in Section 347 of The Criminal Code; and "credit advanced" has the same meaning as "Loan" referred to elsewhere in this Commitment.

Administration Fee Payable on Default:

In the event of a default by the Borrower or any Guarantor in their respective obligations under this Commitment, Loan or Security that is not cured within a reasonable period of time following receipt of written notice of default from the Lender, then, the Lender shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements, an administration and management fee in the amount of CAD 5,000.00 for each month or part thereof that the Borrower and/or any Guarantor

465 Phillip St., Suite 206, Waterloo, ON, N2L6C7
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is in default of its obligations under the Commitment, Loan or Security. The said sum or sums are agreed to be liquidated damages to cover the Lender's administration and management costs and are not intended nor shall they be construed as a penalty. All such sums payable to the Lender shall be a charge upon the Project and its assets and interest shall accrue thereon as if they were Loan principal. If the Borrower is in default, interest will compound monthly and accrue on the principal balance outstanding.

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465 Phillip St., Suite 206, Waterloo, ON, N2L 6C7
p. 519.342.0857 / f. 519.342.0851
Clarity Mortgage Inc. - Brokerage Num: 10907
MarshallZelke Group Inc. - Mortgage Administration Num: 11955

II. TERMS AND CONDITIONS

The Loan terms and conditions shall be such terms and conditions as the Lender may from time to time require and shall include, but not be limited to the following:

2.1 Funding Conditions

The Lender shall not be required to advance any funds prior to the Borrower having fulfilled to the Lender's satisfaction the following conditions:

1. All the Security and ancillary loan agreements and documents and opinions shall have been executed and delivered to the Lender or its solicitors and registered where and as required.
2. The Lender shall have satisfied itself with the financial performance and condition of the Borrower and each of the Guarantors in the Lender's sole discretion. Each of the Borrowers and Guarantors shall provide within five business days of the date of execution of this Commitment, at a minimum, financial statements for its two most recently ended fiscal years together with interim statements to date for the present fiscal year. To facilitate the Lender's due diligence regarding the creditworthiness of the Borrower and each of the Guarantors, each of the Guarantors and the Borrower shall authorize the Lender to conduct credit checks and each of the financial institutions with which the Borrower and the respective Guarantors deal to release any and all information reasonably required and requested by the Lender to adequately assess the credit worthiness of each respectively. Each of the individual Guarantors shall complete the Lender's form of Personal Net Worth Statement.
3. The Borrower shall deliver to the Lender within five business days of the acceptance of this Commitment for the Lender's satisfactory review and acceptance the following:
 - (a) Clause removed intentionally.
 - (b) Clause removed intentionally.
 - (c) Clause removed intentionally.
 - (d) Clause removed intentionally.
 - (e) Clause removed intentionally.
 - (f) Clause removed intentionally.
 - (g) Clause removed intentionally.
 - (h) Clause removed intentionally.
 - (i) Clause removed intentionally.
 - (j) Each of the individual Guarantors shall have provided Notices of Assessment received from the CRA with respect to their respective income tax filings for the two most recently ended taxation years.
 - (k) Clause removed intentionally.

Handwritten signatures and initials, including a large signature and several initials, located in the bottom right corner of the page.

465 Phillip St., Suite 206, Waterloo, ON N2L 6G7
 p. 519.342.0882 f. 519.342.0881
 Clarity Mortgage Inc. - Brokerage Num: 10307
 MarshallZehr Group Inc. - Mortgage Administration Num: 11955

- (l) Mortgage Statement from Sandy Susman and the Marshall Zehr Group Inc. 1st mortgage confirming the outstanding principal balances.
- (m) Clause removed intentionally.
- (n) Clause removed intentionally.
- (o) MZG or a related party may post two MZG signs (on each main street).
- (p) Clause removed intentionally.
- (q) Postponement Agreement in a form satisfactory to MZG from Sandy Susman.
- (r) Postponement and Standstill Agreement in a form satisfactory to MZG from the 3rd mortgage.

(Handwritten initials: A, C, R)

- 4. ~~The loan to value ratio, as determined in the Lender's sole discretion, shall not be greater than 65%.~~
- 5. All taxes will be brought up to date and maintained current by 2131059 Ontario Limited or the mortgage will be deemed to be in default.
- 6. The current CAD 2,500,000 2nd mortgage with Sandy Susman to be postponed behind the Marshall Zehr Group Inc. mortgage and new accrued interest and fees. ~~We would like to see a plan agreed upon by Sandy Susman to remove his security on Mapleview and have it secured on the other project that he is working on with you.~~
- 7. All fees and expenses of Marshall Zehr Group Inc. or its consultants ^{for} the purposes of managing the project, the approval process or the mortgage risk will be paid by the Borrower Baywood at CAD 100.00/hour. It is understood and agreed that the consultants are engaged by the lender to solely review the information provided by the Borrower as it relates to the development approvals.
- 8. Baywood agrees to provide authorization to Marshall Zehr Group Inc. and its consultants to have full communication and release of information from all trades, governing authorities and other related bodies.
- 9. The Mortgage shall contain a cross default clause so that if any other security on title is in default, the mortgage shall be deemed to be in default.
- 10. Such other matters as the Lender may deem appropriate and necessary to satisfy itself of the Project's viability and the ability of the Borrower and Guarantors to fulfil their obligations herein.
- 11. The execution, delivery and registration of all security pursuant to the third mortgage commitment between the Borrower and the Lender even dated herewith.

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465 Phillip St., Suite 204, Peterborough, ON, N2L6C7
 p. 519.342.0852 / f. 519.342.0851
 Clarify Mortgage Inc. - Brokerage Num: 18987
 Marshall Zehr Group Inc. - Mortgage Administration Num: 11555

III. SECURITY TO BE DELIVERED

The Borrower shall deliver the following security (the "Security") duly registered where applicable subject only to the Primary Lender's security and all in the form and on the terms acceptable to the Lender's solicitors:

1. A first mortgage in the amount of CAD 14,400,000.00 on the Mapleview project and property plus accrued interest and Broker Fees.
2. Assignment of Leases and Rents. (the "GSA")
3. General Security Agreement over all of the assets and undertaking of the Borrower and each corporate Guarantor, if any. ("The existing GSA's shall stand as security for this loan)
4. Unlimited joint and several guarantees from each of the guarantors.
5. An Environmental Undertaking and Indemnity and Checklist from the Borrower in such form as the Lender shall require.
6. A favourable Letter of Opinion from the Lender's solicitor confirming the validity and enforceability of the Lender's security.
7. Assignment of Insurance.
8. Commercial Liability Insurance.
9. Title Insurance.
10. Postponement, Subrogation and Assignment from the shareholders of the Borrower (and such other creditors as the Lender may require upon completion of its due diligence) of all indebtedness owed by and claims against the Borrower to and by the shareholders to the indebtedness and claims of the Lender.
11. If required by the Lender such preauthorized payment documentation necessary to authorize the Lender to debit directly from the Borrower's account amounts due under the Commitment and Loan.
12. Such further security, guarantors and ancillary documents and agreements as the Lender or its solicitors may, acting reasonably, deem necessary to adequately secure the Loan obligations and complete and perfect the Security.
13. Borrower provides satisfactory proof that taxes are current, a certificate of liability insurance showing the Lender as additional insured, and coverage of not less than CAD 5,000,000.00

A.

465 Phillip St., Suite 200, Waterloo, ON, N2L 6C7
 p. 519.342.0852 f. 519.342.0851
 Clarity Mortgage Inc. - Brokerage Num: 10907
 Mrs. DalZehr Group Inc. - Mortgage Administration Num: 11955

IV. BORROWERS COVENANTS

The Borrower and, where applicable, each of the Guarantors covenants as follows and a breach of any covenant shall be a default under the terms of the Security:

1. The Borrower shall not assign, transfer or otherwise dispose of this Commitment or the Security without the Lender's prior written consent. However, the Commitment and Security may be assigned by the Lender in whole or in part to another lender(s). Except as hereinafter provided, the Borrower and Guarantor consent to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Project, the Borrower, and the Guarantor within the possession or control of the Lender.
2. Without the Lender's prior written consent having first been obtained, the Borrower shall not sell, transfer, convey or change, mortgage or otherwise encumber or suffer a lien to be registered on the Project or its rights therein. In the event of a breach by the Borrower of this covenant then, at the sole option of the Lender, all monies outstanding, together with all accrued and unpaid interest thereon and any other amounts due under the Commitment or the Security, shall become due and payable.
3. The Borrower shall not commit any waste on the lands.
4. The Borrower shall not permit any transfer or issuance of shares in the share capital of the Borrower or in the officers and directors or a change in the terms or the termination of the shareholders agreement made between the Borrower and each of its shareholders, without the prior written consent of the Lender.
5. On each anniversary date of the mortgage, the Borrower will provide to the Lender proof that the taxes are current, an update that insurance is still in effect and updated financial statements for the Borrower and any corporate guarantor as well as updated personal net worth statements for any personal guarantors.
6. The Borrower shall provide editorial updates including status updates on the project and photos showing the progress on the project for our file on a quarterly basis starting 3 months after registration of the mortgage.
7. The Borrower covenants and agrees to use all due diligence and proceed with all due dispatch in pursuing the appeal of its draft plan of subdivision to the Ontario Municipal Board for the Project so as to obtain the unit yield dated March 30, 2012, all in continued consultation with the Lender. The Borrower shall keep the Lender fully informed as to its progress at the Ontario Municipal Board and with the city of Barrie and agrees to provide the Lender with copies of all documentation, plans, reports, surveys, test results and all relevant documentation relating to the Project as may be requested from time to time by the Lender.

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465 Phillip St., Suite 206, Waterloo, ON, N2L6C7
 p. 519.342.0852 f. 519.342.0851
 Clarity Mortgage Inc. - Brokerage Num: 10907
 MarshallZehr Group Inc. - Mortgage Administration Num: 11955

V. DEFAULT PROVISIONS

1. Upon any default under this Commitment or the Security, that is not cured in a reasonable period of time following notice of default by the Lender, the Lender may declare, after providing reasonable written notice, any or all of the obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Lender or not, and the Lender may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Project or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Borrower. Any such receiver or receivers so appointed shall have power to take possession of the Project or any part thereof and to carry on the business of the Borrower, and to borrow money required for the maintenance, preservation or protection of the Project or any part thereof, and to further charge the Project in priority to the security constituted by this Commitment as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Project on such terms and conditions and in such manner as he shall determine. In exercising any powers, any such receiver or receivers shall act as agent or agents for the Borrower and the Lender shall not be responsible for his or their actions.

2. In addition, the Lender may enter upon the applicable premises and lease or sell the whole or any part or parts of the Project. The Borrower agrees that it will be commercially reasonable to sell such part of the Project:

- (a) as a whole or in various units;
- (b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and
- (c) by private sale after the receipt by the Lender of at least two offers from prospective arms-length purchasers. *A minimum of two*

Notwithstanding the above, the Lender must obtain third party appraisals of the lands and use all

3. Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Lender in its sole discretion may seem advantageous and such sale may take place whether or not the Lender has taken possession of such property and assets. *Commercially reasonable efforts to sell the lands for their fair market value*

4. No remedy for the realization of the security hereof or for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this letter includes a receiver and manager.

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405 Phillip St. Suite 200, Waukegan, IL 60087
 p. 815.462.0882 / 815.462.0931
 Clarity Mortgage Inc. - Brokerage Number 10207
 Marshall Lehr Group Inc. - Mortgage Administrative System 17005

Handwritten signatures and initials, including a large 'S' and 'A'.

VI. GENERAL PROVISIONS

- 1. The Lender shall have no obligation to advance funds unless and until all of the above terms and conditions have been deemed by the Lender to be complete, true and otherwise in all respects satisfactory, in the Lender's sole discretion.
- 2. No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantor.
- 3. The Lenders solicitors shall be:

SorbaraLaw
 300 Victoria Street North
 Kitchener, Ontario N2H 6R9

The Borrower's solicitor shall be:

Steven Sager
 Macdonald Sager Manis LLP Barristers & Solicitors and Trade-Mark Agents
 150 York Street, Suite 800, Toronto, Ontario, M5H 3S5
 T. 416.364.1553 | F. 416.364.1453

The Borrower shall bear any and all reasonable legal costs of the Lender.

- 4. Time is of the essence in this Commitment.
- 5. The Borrower and Guarantors agree that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment and this Commitment shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- 6. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.
- 7. The representations, warranties, covenants and obligations herein set out shall not merge or be extinguished by the execution or registration of the Security but shall survive until all obligations under this Commitment and the Security have been duly performed and the Loan, interest thereon and any other moneys payable to the Lender are repaid in full. In the event of any inconsistency or conflict between any of the provisions of the Commitment and any provision or provisions of the Security, the provisions of the Security will prevail.
- 8. No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantor.
- 9. Notwithstanding the registration of the Security or the advancement of funds, the terms of this Commitment Letter shall not merge with the delivery and/or registration of the Security

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 MarshallZehr Group Inc. - Mortgage Administration Num: 11955

and shall remain in full force and effect. Any default under the terms of this Commitment Letter shall be deemed a default under the Security and any default under the terms of the Security shall be deemed a default under the terms hereof. In the event of a conflict between the terms of the Security and the terms of this Commitment Letter, the Lender, in its sole discretion may determine which shall take precedence and govern.

- 10. This Agreement may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. A facsimile or electronic copy of an executed counterpart shall be deemed to be an original.

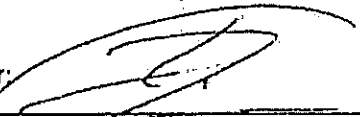
If you are in agreement with the above terms, please indicate such agreement by signing and forwarding to the undersigned a copy of this letter. The execution of this letter does not obligate the Lender to advance any of the agreed funds unless all of the conditions to such advances have been satisfied to the satisfaction of the Lender and its solicitors.

By signing this Commitment Letter the Borrowers and Guarantors agree that the Lender may obtain credit and other financially related information about the Borrower(s) and the Guarantor(s), including reports from other credit grantors, consumer reporting agencies and credit bureau.

Unless this Commitment Letter is accepted by the Borrower and all required Guarantors within two business days of the date hereof by delivery of a fully executed copy to the Lender, then, at the Lender's sole option, the Commitment shall be terminated.

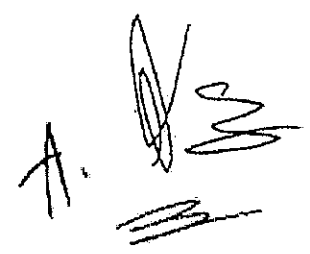
Yours truly,

MarshallZehr Group Inc.

Per: 

Gregory Zehr
President

I have authority to bind the corporation



465 Philip St., Suite 206, Waterloo, ON, N2L 6C7
p. 519.342.0832 f. 519.342.0831
Clarity Mortgage Inc. - Brokerage Num: 10907
MarshallZehr Group Inc. - Mortgage Administration Num: 11955

Acknowledged and agreed at Tenno this 5th day of July, 2012.

Borrower:

2131059 Ontario Limited

Per: _____
Name: Ralph Canonaco
Title: President
I have authority to bind the corporation

The following parties execute this commitment letter in their capacities as guarantors only.

Witness:

Ralph Canonaco Is

Witness:

Tony Canonaco Is

Witness:

Frank Canonaco Is

LAYWOOD HOMES PARTNERSHIP, by its Partners

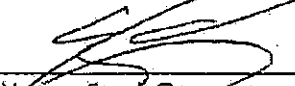
626363 ONTARIO LIMITED

c/s
Name: Tony Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

NORI CORP.

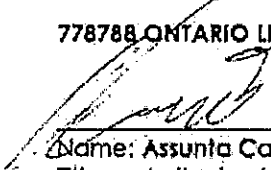
c/s
Name: Ralph Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

VAUGHANCORD HOLDINGS INC.



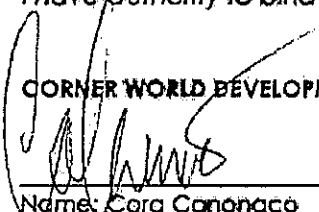
c/s
Name: Frank Capenaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

778788 ONTARIO LIMITED



c/s
Name: Assunta Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

CORNER WORLD DEVELOPMENTS INC.



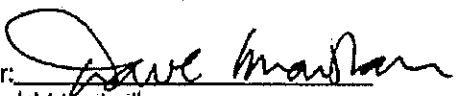
c/s
Name: Cora Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

Lender:

I HEREBY accept the terms and conditions as stated herein.

DATED at Waterloo, this 11 day of July, 2012.

MarshallZehr Group Inc. "in Trust"

Per: 
David Marshall

"I/We have the authority to bind the Corporation"

MarshallZehr

Enabling Lenders and Developers

ADDENDUM TO MAPLEVIEW "1ST MORTGAGE" COMMITMENT LETTER DATED JUNE 28, 2012

Please note the following changes to the above-referenced commitment letter (the "Commitment"):

1. The paragraph on page 1 named "Purpose" is to be deleted in its entirety and replaced with the following:

"Purpose: MarshallZehr Group Inc. ("MZG") will take an assignment of the existing 1st charge in favour of MarshallZehr Group Inc. registered in the land titles office for the Land Titles Division of Simcoe (No. 51) as Instrument No. 792792 on December 31, 2009. MZG will provide an additional CAD 1,400,000.00 for interest accruing, working capital and closing costs. The Lender acknowledges that there remains \$46,448.88 which has not been advanced to the Borrower from the original CAD \$13,000,000.00 first mortgage advanced pursuant to a commitment letter dated December 7, 2009. Said amount will be added to the working capital reserve of this assigned mortgage. Note – the equity bonus portion of the existing first charge will be replaced with a new third charge."

2. The second paragraph on page 2 named "Loan Amount":

Delete – "Current first mortgage is to be replaced and outstanding balance to be applied to this mortgage"

Insert – "Current commitment dated December 7, 2009 to be replaced and outstanding balance applied to Loan Amount under this commitment letter" in its place

3. The third paragraph on page 3 named "Standby Fee":

Delete – "mortgage is" from the fourth line

Insert – "Transfer of Charge/Mortgage and Section 71 Notice re. Amending Agreement are" in its place

4. Paragraph (i) on page 6:

Delete – "Sandy Sussman"

Insert "Sussman Mortgage Funding Inc., B2B Trust and BLML Developments Inc." in its place

Continued
Addendum to Commitment Letter

5. Paragraph (g) on page 6:

Delete – “Sandy Sussman”

Insert – “Sussman Mortgage Funding Inc., B2B Trust and BLML Developments Inc.” in its place

6. Section III entitled “Security to Be Delivered” on page 7:

Delete in its entirety

Replace with the following:

“The Borrower shall deliver the following security (the “Security”) duly registered where applicable subject only to the Primary Lender’s security and all in the form and on the terms acceptable to the Lender’s solicitors:

1. A Transfer of Charge/Mortgage SC792792 and a Mortgage Amending Agreement executed by the Borrower, MarshallZehr Group Inc. and The Bank of Nova Scotia Trust Company to be registered on title pursuant to a Section 71 Notice.
2. Assignment of Leases and Rents.
3. General Security Agreement over all of the assets and undertaking of the Borrower and Baywood Homes Partnership. The existing GSA of the Borrower shall stand as security for this loan which GSA and associated Personal Property Security Act (Ontario) registration shall be assigned from MarshallZehr Group Inc., in trust to MarshallZehr Group Inc. and The Bank of Nova Scotia Trust Company.
4. Unlimited joint and several guarantees from each of the guarantors.
5. An Environmental Undertaking and Indemnity and Checklist from the Borrower in such form as the Lender shall require.
6. A favourable Letter of Opinion from the Lender’s solicitor confirming the validity and enforceability of the Lender’s security.

MarshallZehr Group Inc.
Mortgage Administration #11955
Clarity Mortgage Inc. Brokerage #10907
465 Phillip St, Suite 206, Waterloo, ON N2L 6E7
p 519.342.0857 f 519.342.0851
www.marshallzehr.com

Continued
Addendum to Commitment Letter

7. Assignment of opinions from Schwartz & Schwartz dated December 30, 2009 and Sorbara, Schumacher, McCann LLP dated January 5, 2010 from MarshallZehr Group Inc. to MarshallZehr Group Inc. and The Bank of Nova Scotia Trust Company.
8. Assignment of Insurance.
9. Commercial Liability Insurance.
10. Assignment of Current Title Insurance Policy ONL0066231 with First American Title Insurance Company from MarshallZehr Group Inc., in trust to MarshallZehr Group Inc. and The Bank of Nova Scotia Trust Company together with such amendments/additions as are necessary.
11. Postponement, Subrogation and Assignment from the shareholders of the Borrower (and such other creditors as the Lender may require upon completion of its due diligence) of all indebtedness owed by and claims against the Borrower to and by the shareholders to the indebtedness and claims of the Lender.
12. Assignment of Acknowledgment re. Standard Charge Terms.
13. If required by the Lender such preauthorized payment documentation necessary to authorize the Lender to debit directly from the Borrower's account amounts due under the Commitment and Loan.
14. Such further security, guarantors and ancillary documents and agreements as the Lender or its solicitors may, acting reasonably, deem necessary to adequately security the Loan obligations and complete and perfect the Security.
15. Borrower provides satisfactory proof that taxes are current, a certificate of liability insurance showing the Lender as additional insured, and coverage of not less than CAD \$5,000,000.00.

7. Paragraph 5 on page 8:

Delete - "mortgage" in the first line

Insert - "Transfer of Charge/Mortgage and Section 71 Notice re. Mortgage Amending Agreement" in its place

Continued
Addendum to Commitment Letter

8. Paragraph 6 on page 8:

Delete - "mortgage" in the last line

Insert - "Transfer of Charge/Mortgage and Section 71 Notice re. Mortgage Amending Agreement" in its place

9. Add the following as paragraph 12 on page 6:

"Assignment/Transmittal Letters from:

- a) Appraisal Canada Inc. re. property assessment
- b) Teraprobe re. phase 1
- c) Sorbara, Schumacher, McCann LLP re. opinion
- d) Schwartz & Schwartz re. opinion"

10. All other terms of the Commitment shall survive, unamended.

11. All capitalized terms not defined herein shall have the definitions set forth in the Commitment.

12. Time shall remain of the essence.

Borrower

Acknowledged and agreed at TUKONO this 11th day of October, 2012.

2131059 Ontario Limited

Per: 

Name: Frank Canonaco

Title: President

I have authority to bind the corporation

The following parties execute this commitment letter in their capacities as guarantors only.

Witness

 _____ Is

Witness

 _____ Is

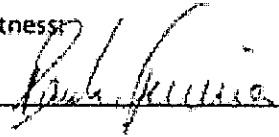
 _____ Is

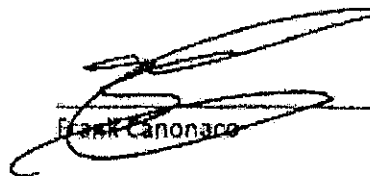
Tony Canonaco

MarshallZehr Group Inc.
 Mortgage Administration # 1055
 Clarity Mortgage Inc. Brokerage #10807
 465 Phillip St, Suite 206, Waterloo, ON N1Y 6C7
 p. 519 342 0852 f. 519 342 0851
 www.marshallzehr.com

Continued
Addendum to Commitment Letter


Witness:




_____ Is
Frank Canonaco

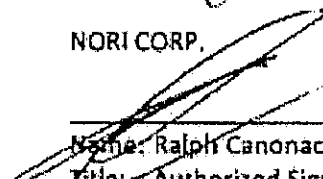
BAYWOOD HOMES PARTNERSHIP, by Its
Partners

626353 ONTARIO LIMITED


_____ c/s

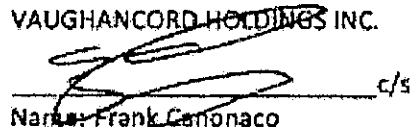
Name: Tony Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

NORI CORP.


_____ c/s
Name: Ralph Canonaco
Title: Authorized Signing Officer

I have authority to bind the corporation.

VAUGHANCORD HOLDINGS INC.


_____ c/s
Name: Frank Canonaco
Title: Authorized Signing Officer

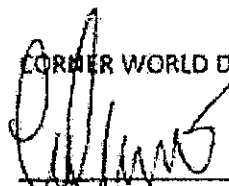
I have authority to bind the corporation.

778788 ONTARIO LIMITED


_____ c/s

Name: Assunta Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

Continued
Addendum to Commitment Letter

FORMER WORLD DEVELOPMENTS INC.


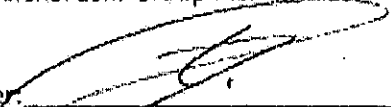
Name: Cora Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

Lender:

I HEREBY accept the terms and conditions as stated herein.

DATED at Waterloo, this 12TH day of October, 2012.

MarshallZehr Group Inc. "in Trust"

Per: 

Gregory Zehr

"I/We have the authority to bind the Corporation"

MARSHALL ZEHR

- REAL ESTATE CAPITAL -

SECOND ADDENDUM TO MAPLEVIEW "1st MORTGAGE" COMMITMENT LETTER DATED JUNE 28, 2012 AS AMENDED FROM TIME TO TIME

Please note the following changes to the above-referenced commitment letter (the "Commitment"):

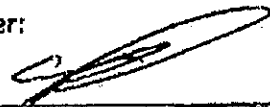
1. The current outstanding principal on this mortgage is CAD 14,400,000.00 inclusive of the CAD 13,000,000 1st charge registered in the land titles office for the Land Titles Division of the Simcoe (No. 51) as Instrument No. 792792 on December 31, 2009 and the CAD 1,400,000 amendment to the 1st charge dated June 28, 2012 for the addition of working capital.
2. The Lender has agreed to extend the maturity date from July 5, 2013 to January 5, 2014. The Term will be open with 30 days' notice of any prepayment.
3. The Borrower will pay a 1% Contingency Success fee to the Broker, Clarity Mortgage Inc., or CAD 144,000.00 which will be accrued to the end of the Term and be added to the Principal amount of the mortgage.
4. The interest rate will remain the same and the monthly interest portion will be advanced from the interest reserve held in MarshallZehr's trust account. Upon depletion of the interest reserve, monthly interest payments are to be made by way of direct withdrawal from the Borrower's account. As per the Commitment, the accrued portion will compound on July 5, 2013 and accrue to the end of the term. As of December 5, 2013 the interest rate will increase to 15% per annum, compounded and payable monthly in arrears thereafter.
5. If the Borrower repays* early, on or before August 5, 2013, the Lender will reduce the 1% Contingency Success Fee (#3 above) by 75% to CAD 36,000.00. *Repayment must be the whole of the 1st, 3rd and 4th mortgages held by the Lender to receive the 75% reduction.
6. A further 1% Broker Fee will be due and payable on December 6, 2013 if the balance of the loan has not been paid in full by that date.
7. Sandy Sussman, 2nd mortgagee, will postpone to this mortgage and this amendment to the 1st mortgage, MZG's current 3rd mortgage and new mortgage shall also postpone to this mortgage at terms acceptable to the Lender's solicitors.

- 8. This extension is conditional on the Lender being updated within 5 business days of each material event on the DPA process and the process of the take-out financing and any equity committed. The Lender shall have the authority to contact the City Planners, Engineers, and any other professionals in relation to this project to request updates on the project. The Lender will also have the right to call meetings for updates on the DPA and take-out financing process and the Lender must be fully satisfied with the progress otherwise the mortgage will be deemed in default.
- 9. The Borrower and Guarantors shall execute and deliver to the Lender all documentation required to further evidence and secure this Commitment as advised by its solicitors and the Borrower shall pay all fees, HST and disbursements incurred.
- 10. All other terms of the Commitment shall survive, unamended.
- 11. Time shall remain of the essence.

Borrower

Acknowledged and agreed at TORONTO this 18 day of June, 2013

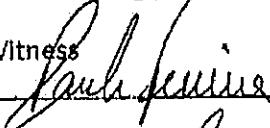
2131059 Ontario Limited
Per:




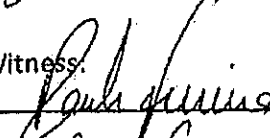
 Name: Frank Canonaco
 Title: President

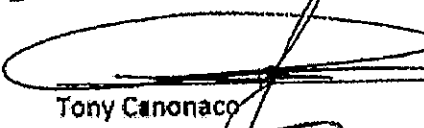
I have authority to bind the corporation

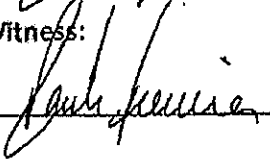
The following parties execute this commitment letter in their capacities as guarantors only.


Witness: 


 _____ Is
 Ralph Canonaco

Witness: 

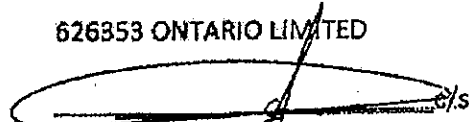

 _____ Is
 Tony Canonaco

Witness: 

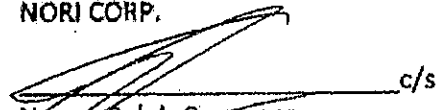

 _____ Is
 Frank Canonaco

BAYWOOD HOMES PARTNERSHIP, by its
Partners


626353 ONTARIO LIMITED


Name: Tony Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.


NORI CORP.


Name: Ralph Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

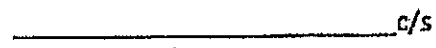
VAUGHANCORD HOLDINGS INC.


Name: Frank Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

778788 ONTARIO LIMITED


Name: Assunta Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

CORNER WORLD DEVELOPMENTS INC.


Name: Cora Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

BAYWOOD HOMES PARTNERSHIP, by its
Partners

626353 ONTARIO LIMITED

Name: Tony Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

NORI CORP.

Name: Ralph Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.


VAUGHANCORD HOLDINGS INC.

Name: Frank Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

778788 ONTARIO LIMITED

Name: Assunta Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

CORNER WORLD DEVELOPMENTS INC.



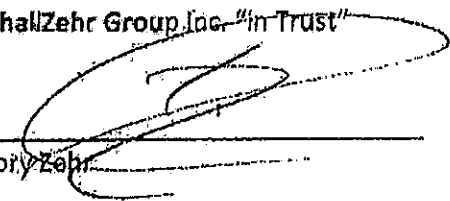
Name: Cora Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

Lender:

I HEREBY accept the terms and conditions as stated herein.

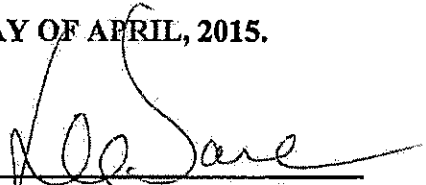
DATED at Waterloo, this 14th day of June, 2013

MarshallZehr Group Inc. "in Trust"

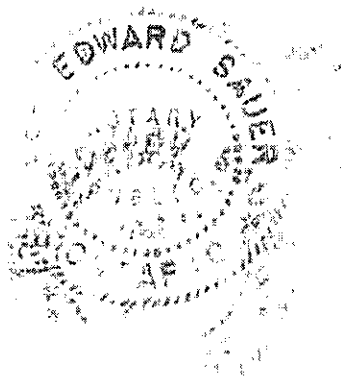
Per: 
Gregory Zehr

"I/We have the authority to bind the Corporation"

THIS IS EXHIBIT "G" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29
DAY OF APRIL, 2015.



A Commissioner etc.



ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT is entered into this 8th day of ~~October~~ ^{NOVEMBER}, 2012 (the "Effective Date").

BETWEEN:

**MARSHALLZEHR GROUP INC., IN TRUST, and
MARSHSHALLZEHR GROUP INC.,**

(the "Assignors")

- and -

**MARSHALLZEHR GROUP INC. AND THE BANK OF NOVA
SCOTIA TRUST COMPANY,**

(collectively, the "Assignees")

- and -

2131059 ONTARIO LIMITED ,

(the "Corporation")

CONTEXT:

A. As security for a Loan Agreement between the Corporation and MarshallZehr Group Inc. dated December 30, 2009 (the "Loan Agreement") given pursuant to certain financing arrangements between MarshallZehr Group Inc. (in trust) and the Corporation as detailed in a commitment letter dated December 7, 2009 issued by MarshallZehr Group Inc. and accepted by the Corporation December 10, 2009 and accepted by the MarshallZehr Group Inc. December 11, 2009 (the "Original Financing") the following security/documentation was issued:

- i) a General Security Agreement dated December 30, 2009 executed by the Borrower in favour of MarshallZehr Group Inc., in trust as registered under the *Personal Property Security Act* (Ontario) as File No. 658409166;
- ii) a First Charge/Mortgage from the Borrower in favour of MarshallZehr Group Inc. over certain lands described as Part S 1/2 of Lot 16, Con 12 Innisfil being Part 1 on 51R-22928, except Part 4 on 51R-32586; s/t easement over Parts 1, 2 and 3 on 51R-32586 as in SC212816, s/t easement in gross over Part 8 on 51R-34165 as in SC510541; Barrie; and being PIN 58091-1589 and PCL 16-2 Sec 51 Innisfil being Part 1 on 51R-22937; s/t easement in gross

over Part 6 on 51R-34165 as in SC510541; Barrie and being PIN 58091-0288 registered in the land titles office for the Land Titles Division of Simcoe (No. 51) at Barrie on December 31, 2009 as Instrument No. 792792;

- iii) an Acknowledgement re. Standard Charge Terms executed by the Borrower in favour of MarshallZehr Group Inc., in trust dated December 30, 2009;
- iv) First American Title Insurance Loan Policy No. ONL0066231 in favour of MarshallZehr Group Inc., in trust dated January 5, 2012;
- iii) an opinion letter from Schwartz & Schwartz addressed to MarshallZehr Group Inc. and Sorbara, Schumacher, McCann LLP dated December 30, 2009;
- iv) an opinion letter from Sorbara, Schumacher, McCann LLP addressed to MarshallZehr Group Inc. dated January 5, 2012;

(collectively, the "Original Security")

- B. The Corporation has made arrangements with the Assignees to pay out the Original Financing with MarshallZehr Group Inc. (in trust) and enter into new financing arrangements with the Assignees as set forth in two commitment letters to the Corporation from MarshallZehr Group Inc. dated June 28, 2012 and accepted by the Corporation and the guarantors of the loans July 5, 2012 and by MarshallZehr Group Inc. "in trust" on July 11, 2012 (the "First Mortgage Commitment" and the "Third Mortgage Commitment", respectively).
- C. The First Mortgage Commitment and Third Mortgage Commitment were amended by letter agreements accepted by the Corporation and guarantors of the loans on October ___, 2012.
- D. The First Mortgage Commitment, as amended, calls for, in addition to other security, the assignment of the Original Security, from the Assignors to the Assignees.
- E. The Assignors wish to assign the Original Security and the Loan Agreement and all of their interests and obligations therein to the Assignees and the Assignees wish to assume the rights and obligations of the Assignors under the Original Security and Loan Agreement effective as of the Effective Date, all as more particularly set out herein;
- F. The Corporation has joined in this Assignment Agreement for the sole purpose of evidencing its consent to the assignment of the Original Security and Loan Agreement.

NOW THEREFORE in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Assignors and Borrower hereby confirm that the principal amount of the loan evidenced by the Original Financing is Seventeen Million Seven Hundred Twelve Thousand Five Hundred (\$17,712,500.00) Dollars as of the Effective Date plus accrued and unpaid interest. The Assignors and Borrower hereby also confirm that no interest is outstanding on the loan evidenced by the Original Financing as of the Effective Date.
2. The Borrower confirms that the Original Security and Loan Agreement are valid security of the Borrower.
3. The Assignors hereby assign, transfer and convey the Original Security and Loan Agreement and all of their right, title, interest and obligations therein to the Assignees effective as of the Effective Date.
4. The Assignees hereby accept the assignment of the Original Security and Loan agreement and agree to assume, perform, discharge and observe all of the covenants, conditions and agreements in the Original Security and Loan Agreement from and after the Effective Date.
5. The Corporation acknowledges its consent and agreement to the assignment contemplated herein and hereby releases the Assignors from any and all obligations and liabilities under the Original Security and/or Loan Agreement.
6. This Assignment Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
7. Each party shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, transfers and assurances as are reasonably required for the purpose of accomplishing and effecting the intention of this Assignment Agreement.
8. This Assignment Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
9. This Assignment Agreement may be executed by the parties either by original signature or by facsimile signature and in one or more counterparts, each of which when so executed and delivered shall be an original and such counterparts shall together constitute one and the same instrument.

[execution page to follow]

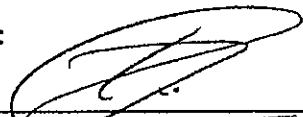
IN WITNESS WHEREOF each of the parties has executed and delivered this Assignment Agreement as of the Effective Date

MARSHALLZEHR GROUP INC., IN TRUST

THE BANK OF NOVA SCOTIA TRUST COMPANY

Per:

Per:



Name: Greg Zehr
Title: President

I have authority to bind the Corporation.

Name: David MacBeth
Title: Director

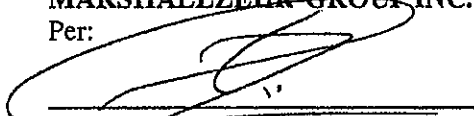
I have authority to bind the Bank

MARSHALLZEHR GROUP INC.

2131059 ONTARIO LIMITED


Per:

Per:



Name: Greg Zehr
Title: President

I have authority to bind the Corporation.



Name: Frank Canonaco
Title: President

I have authority to bind the Corporation

IN WITNESS WHEREOF each of the parties has executed and delivered this Assignment Agreement as of the Effective Date

MARSHALLZEHR GROUP INC., IN TRUST THE BANK OF NOVA SCOTIA TRUST COMPANY

Per:

Per:

Name: Greg Zehr
Title: President
I have authority to bind the Corporation.

Name: David MacBeth
Title: Director
I have authority to bind the Bank

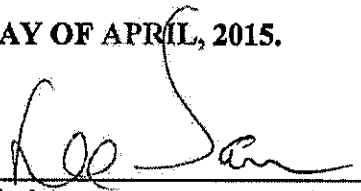
MARSHALLZEHR GROUP INC.
Per:

2131059 ONTARIO LIMITED
Per:

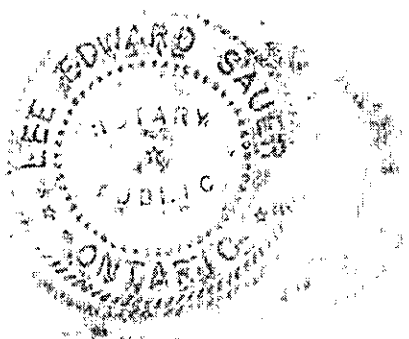
Name: Greg Zehr
Title: President
I have authority to bind the Corporation.

Name: Frank Canonaco
Title: President
I have authority to bind the Corporation

THIS IS EXHIBIT "H" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29
DAY OF APRIL, 2015.



A Commissioner etc.



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**MARSHALLZEHR GROUP INC.
SECURITY AGREEMENT**

To: **MARSHALLZEHR GROUP INC. (the "Lender")**
465 Phillip Street #206
WATERLOO ON, N2L 6C7
Facsimile No. (519-342-0851)

From: **2131059 ONTARIO LIMITED ("Debtor")**
1140 Sheppard Avenue West, #12
TORONTO ON M3K 2A2
Fax: (416) 633-7491

1. **General Security Interest.** As security for the payment and performance of all present and future indebtedness, liabilities and obligations of the Debtor to the Lender, whether direct or indirect, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency or otherwise, under or in respect of agreements or dealings between the Debtor and Lender or agreements or dealings between the Debtor and others by which the Lender may be or become in any manner whatsoever a creditor of the Debtor including, without limitation, Obligations under (i) any and all letter agreements and offers to finance/or offers to lease (the "Offers of Finance") entered into by the Debtor and the Lender from time to time, (ii) any promissory notes, guarantees or indemnities executed by the Debtor in favour of the Lender, and (iii) this Security Agreement (all such indebtedness, liabilities, obligations, expenditures, costs and expenses are hereinafter collectively referred to as the "Obligations"), the Debtor hereby assigns, charges, pledges, mortgages and grants to the Lender a security interest in all of the undertaking, property and assets of the Debtor, both real and personal, immoveable and moveable, tangible and intangible, legal and equitable, of whatsoever nature and kind wheresoever situate, now owned or hereafter acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any right, title or interest (all of which is hereinafter called the "Collateral"), including without limitation:

- (a) **Intangibles** - all intangible property including without limitation book debts and accounts, all contractual rights and Insurance claims, licences, computer software, warranties, ownership certificates, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Debtor;
- (b) **Books & Records** - all of the Debtor's, manuals, publications, letters, deeds, documents, writings, papers, invoices, 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;
- (c) **Equipment** - all of the Debtor's tools, machinery, equipment, apparatus, furniture, plants, fixtures, vehicles and other tangible personal property, other than Inventory (as defined below), (collectively, the "Equipment") including, without limitation, the Equipment described in Schedule "A" hereto;
- (d) **Inventory** - all of the Debtor's tangible personal property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in a business or profession (collectively, the "Inventory");
- (e) **Real Property** - all of the Debtor's real and immovable property, both freehold and leasehold, now or hereafter owned, acquired or occupied by the Debtor, together with all buildings, erections, improvements and fixtures situate upon or used in connection therewith, including any lease, verbal or written or any agreement therefor, (collectively, the "Real Property") 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 Debtor, is excepted out of the Real Property charged by this Security Agreement, but should such charge become enforceable the Debtor shall thereafter stand possessed of the last day of such leasehold interest upon trust to assign and dispose thereof as Lender may direct;
- (f) **Other Property** - the Debtor's undertaking and all of the Debtor's other property and assets including, without limitation, uncalled capital, judgments, rights, franchises, chattel paper, documents of title, goods, instruments, money and securities (as those terms are defined in the Personal Property Security Act governing this Security Agreement); and
- (g) **Proceeds** - all of the Debtor's property in any form derived directly or indirectly from any use or dealing with the Collateral or that indemnifies or compensates for loss of or damage to the Collateral (collectively, the "Proceeds").

2. **Attachment.** The security interest given hereunder will attach immediately upon the execution of this Security Agreement. The security interest granted hereby has not been postponed and will attach to any particular Collateral as soon as the Debtor has rights in such Collateral.

3. **Representations and Warranties of the Debtor.** The Debtor represents and warrants to the Lender as follows:

- (a) The Debtor now owns or will own the Collateral, as the case may be, free and clear of any prior lien, security interest or encumbrance save and except for the security interest granted hereby and for those encumbrances as shown in Schedule "B" which have been validly perfected ("Permitted Encumbrances");
- (b) This Security Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Debtor;
- (c) The authorization, creation, execution and delivery of this Security Agreement and compliance with its terms
 - (i) does not and shall not contravene any applicable law, regulation, rule, order, judgment or injunction or the charter documents, by-laws or any unanimous shareholders' agreement of the Debtor; and
 - (ii) does not and shall not result in a breach of or a default under any indenture, instrument, lease, agreement or undertaking to which the Debtor is a party or by which it or the Collateral is or may become bound.

4. **General Covenants.** The Debtor hereby declares, covenants and agrees that it:

- (a) **Pay Costs** - shall pay all costs and expenses (including legal fees and disbursements on a solicitor and own client basis) of Lender incidental to or which in any way relates to this Security Agreement or its enforcement, including (i) the preparation, execution and filing of this Security Agreement and any instruments postponing, discharging, amending, extending or supplemental to this Security Agreement or any security required by any Offer of Finance ("Lender's Security"); (ii) perfecting and keeping perfected Lender's Security; (iii) maintaining the intended priority of Lender's Security on all or any part of the Collateral; (iv) taking, recovering or possessing the Collateral; (v) taking any actions or other proceedings to enforce the remedies provided herein or otherwise in relation to this Security Agreement or the Collateral, or by reason of a default under Lender's Security or the Offer of Finance or the non-payment of the moneys hereby secured; (vi) taking proceedings, giving notices and giving responses required under any applicable law concerning or relating to Lender's Security, including compliance with the provisions of applicable bankruptcy, insolvency, personal property security and mortgage enforcement legislation; (vii) responding to or participating in proceedings in the nature of those described in Sections 14(d), (e) and (f) hereof; and (viii) obtaining the advice of counsel and other advisors in relation to the foregoing;

all such costs and expenses and other monies payable hereunder, together with interest at the highest rate chargeable by Lender from time to time on the Obligations, shall form part of the Obligations, shall be payable by the Debtor on demand and shall be secured hereby;

- (b) **To Pay Rents and Taxes** - shall pay all rents, taxes and assessments lawfully imposed upon the Real Property where the Collateral is located or any part thereof when the same become due and payable, and shall show to Lender on request receipts for such payment;
- (c) **To Maintain Corporate Existence and Security** - shall maintain its corporate existence, shall maintain the security hereby created as valid, effective and perfected security at all times, shall observe and perform all of its obligations under leases, licences and other agreements to which it is a party so as to preserve and protect the Collateral and its value;
- (d) **Not to Sell** - shall not, except for inventory sold in the ordinary course of business and except as otherwise permitted hereunder, remove, destroy, lease, sell or otherwise dispose or part with possession of any of the Collateral; provided that the Debtor may sell or otherwise dispose of furniture, machinery, equipment, vehicles and accessories which have become worn out or damaged or otherwise unsuitable for their purposes on condition that it shall substitute therefor, subject to the lien hereof and free from prior liens, security interests or encumbrances, property of equal value so that the security hereby constituted shall not thereby be in any way reduced or impaired;
- (e) **No Other Liens** - shall not create, assume or suffer to exist any charge, lien, federal or provincial government priority claim arising pursuant to statute including any deemed trust, security interest or encumbrance upon any Collateral other than Permitted Encumbrances. No provision hereof shall be construed as a subordination or postponement of the security interest created hereunder to or in favour of any other charge, lien, security interest or encumbrance, whether or not it is a Permitted Encumbrance, except that the Debtor may give security to its bankers on its inventory or under assignments of its accounts receivable (except to the extent that such accounts receivable represent proceeds of the sale or disposition of Equipment or Real Property) and such security, if validly perfected, shall rank

prior to the interest granted hereby on such Inventory and accounts receivable without further action by the Lender.

- (f) **To Hold Proceeds of Unauthorized Sale in Trust** - in the event the Collateral or any part thereof is sold or disposed of prior to the full discharge of this Security Agreement by the Lender, in any manner not authorized by this Security Agreement, shall hold all proceeds of such sale or disposition received by the Debtor as trustee for the Lender until the Debtor has been fully released from this Security Agreement by the Lender;
- (g) **To Insure** - shall keep insured the Collateral to its full insurable value or in such amounts as the Lender may reasonably require against all risks, with insurers approved by the Lender and will pay all premiums necessary for such purposes as the same shall become due; the proceeds under all policies of insurance are hereby assigned to the Lender subject to Permitted Encumbrances as further security hereunder and shall be payable to the Lender as its interest may appear and contain such mortgage clauses as the Lender may require; such policies or contracts shall be in terms reasonably satisfactory to the Lender and at the request of the Lender shall be delivered to and held by the Lender subject to the rights of the holders of Permitted Encumbrances;
- (h) **To Furnish Proofs** - shall forthwith on the happening of any loss or damage furnish at its expense all necessary proofs and do all necessary acts to enable the Lender to obtain payment of the insurance moneys subject to the rights of the holders of Permitted Encumbrances;
- (i) **Inspection by the Lender** - shall allow any employees or third parties retained by the Lender at any reasonable time to enter the premises of the Debtor or others to inspect the Collateral and to inspect the books and records of the Debtor relating to the Collateral and make extracts therefrom, and shall permit the Lender prompt access to such other persons, as the Lender may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Collateral or the books and records of the Debtor relating to the Collateral, provided that any information so obtained shall be kept confidential, save as required by the Lender in exercising its rights hereunder or pursuant to any applicable law or court order. The Debtor shall pay all costs and expenses of third parties (including legal fees and disbursements on a solicitor and own client basis) retained by the Lender for purposes of inspection under this Section 4(i);
- (j) **Use and Maintenance** - shall cause the Equipment and Inventory to be operated in accordance with any applicable manufacturer's manuals or instructions, by competent and duly qualified personnel. Any and all additions and accessions to and parts and replacements for the Equipment or Inventory shall immediately become subject to the security interest created hereby. The Debtor shall not change the intended use of the Collateral without the prior written consent of the Lender which will not be unreasonably withheld or delayed;
- (k) **Location of Collateral** - shall keep the Collateral at the locations set forth in Schedule "A" hereto, except for goods in transit to such locations, or Inventory on lease or consignment, or with the prior written consent of the Lender;
- (l) **No Affixation** - shall not permit the Collateral to be attached to or affixed to real or other personal property without the prior written consent of the Lender which will not be unreasonably withheld or delayed. The Debtor shall obtain and deliver to the Lender such waivers as the Lender may reasonably request from any owner, landlord or mortgagee of premises on which the Collateral is located or to which the Collateral may become affixed or attached. The Debtor shall promptly do, execute and deliver all such further acts, documents, agreements or assurances as the Lender may reasonably require for giving effect to the intent of this Security Agreement and shall register such notice or documents against the title to such premises as the Lender may reasonably request to protect its interests hereunder and shall maintain plates or marks showing the name of the Lender upon the Collateral as requested;
- (m) **Not to Remove** - prior to moving any of the Collateral from any location indicated in Schedule "A" hereto, or to leasehold property, the Debtor shall effect such further registrations and obtain such other consents and give such other security, at the sole cost and expense of the Debtor, as may be required or desirable to protect or preserve the security hereby created and to maintain the priority intended to be granted to the Lender hereunder as against all others including landlords, and the Debtor shall forthwith notify the Lender of the intended removal and the action proposed to be taken;

(n) **Compliance with Environmental Laws**

- (i) shall conduct and maintain its business, operations, Real Property and the Collateral so as to comply in all respects with all applicable Environmental Laws, including obtaining all necessary licenses, permits, consents and approvals required to own or operate the Collateral and the business carried out on, at or from the Real Property;
- (ii) except as specifically permitted by the Lender in writing, it shall not permit or suffer to exist, Contaminants or dangerous or potentially dangerous conditions in, on or below the Real Property including, without limitation, any polychlorinated biphenyls, radio-active substances, underground storage tanks, asbestos or urea formaldehyde foam insulation;
- (iii) has no knowledge of the existence of Contaminants or dangerous or potentially dangerous conditions at, on or under the Real Property or any properties in the vicinity of the Real Property which could affect the Real Property or the market value thereof or in levels that exceed the standards in Environmental Laws;
- (iv) has no knowledge of the Real Property, or any portion thereof, having been used for the disposal of waste;
- (v) has not given or received, nor does it have an obligation to give, any notice, claim, communication or information regarding any past, present, planned or threatened treatment, storage, disposal, presence, release or spill of any Contaminant at, on, under or from the Real Property or any property in the vicinity of the Real Property, including any notice pursuant to any Environmental Laws or any environmental report or audit. The Debtor shall notify the Lender promptly and in reasonable detail upon receipt of any such claim, notice, communication or information or if the Debtor becomes aware of any violation or potential violation of the Debtor of any Environmental Laws and shall describe therein the action which the Debtor intends to take with respect to such matter;
- (vi) shall at the Debtor's expense establish and maintain a system to assure and monitor continued compliance with, and to prevent the contravention of, Environmental Laws, which system shall include periodic reviews of such compliance system and the Debtor shall provide an annual report to the Lender regarding the Debtor's environmental performance, and the effectiveness of such system;
- (vii) shall promptly advise the Lender in writing of any material adverse change in the environmental or other legal requirements affecting the Debtor or the Collateral or the Real Property upon the Debtor becoming aware of any such change, and the Debtor shall provide the Lender with a copy of any of the orders, by-laws, agreements or other documents pursuant to which any such change is effected or documented;
- (viii) shall at the Debtor's expense promptly take or cause to be taken any and all necessary remedial or clean-up action in response to the presence, storage, use, disposal, transportation, release or discharge of any Contaminant in, on, under or about any of the Real Property, or used by the Debtor, in compliance with all material laws including, without limitation, Environmental Laws, and in accordance with the orders and directions of all applicable federal, state, provincial, municipal and local governmental authorities;
- (ix) shall deliver to the Lender a true and complete copy of all environmental audits, evaluations, assessments, studies or tests relating to the Real Property, the Collateral or the Debtor now in its possession or control or forthwith after the completion thereof, or upon such materials coming into the Debtor's possession or control;
- (x) shall at the Debtor's expense, if reasonably requested by the Lender in writing, retain an environmental consultant acceptable to the Lender, acting reasonably, to undertake environmental tests and to prepare a report or audit with respect to the Real Property and deliver same to the Lender for its review; and
- (xi) shall indemnify and save harmless the Lender, its officers, directors, employees, agents and shareholders from and against all losses, liabilities, damages or costs (including legal fees and disbursement on a solicitor and own client basis) suffered including, without limitation, the cost or expense of any environmental investigation, the preparation of any environmental or similar report, and the costs of any remediation arising from or relating to any breach of the foregoing covenants of this Section 4(n), any breach by the Debtor or any other person now or hereafter having an interest in the Collateral or the Real Property which is asserted or claimed against the Lender; the presence, in any form, of any Contaminant on or under the Real

Property, or the discharge, release, spill or disposal of any contaminant by the Debtor, which is asserted or claimed against any of these indemnified persons. This indemnity shall survive the payment in full of all amounts secured hereby and the discharge of this Security Agreement. The Lender shall hold the benefit of this indemnity in trust for those indemnified persons who are not parties to this Security Agreement.

(xii) For the purposes hereof:

- a. "Contaminant" means any solid, liquid, gas, odour, heat, sound, smoke, waste, vibration, radiation or combination of any of them resulting directly or indirectly from human activities that may cause: (i) impairment of the quality of the natural environment for any use that can be made of it, (ii) injury or damage to property or to plant or animal life, (iii) harm or material discomfort to any person, (iv) an adverse affect on the health of any person, (v) impairment of the safety of any person, (vi) rendering any property or plant or animal life unfit for use by man, (vii) loss of enjoyment of normal use of property, or (viii) interference with the normal conduct of business, and includes any pollutant or contaminant as defined in any applicable Environmental Laws and any biological, chemical or physical agent which is regulated, prohibited, restricted or controlled; and
- b. "Environmental Laws" means the common law and all applicable federal, provincial, local, municipal, governmental or quasi-governmental laws, rules, regulations, policies, guidelines, licences, orders, permits, decisions or requirements concerning Contaminants, occupational or public health and safety or the environment and any other order, injunction, judgment, declaration, notice or demand issued thereunder.

(o) **Financial Statements** - shall deliver to the Lender, in accordance with the terms of any Offers of Finance, its interim and annual financial statements, all of which financial statements shall be signed by an authorized officer of the Debtor and prepared in accordance with generally accepted accounting principles. The Debtor shall at the same time deliver to the Lender copies of all management reports prepared by the accountants or auditors of the Debtor together with any other statements stipulated in any Offer of Finance;

(p) **Offers of Finance** - shall comply with all provisions of the Offers of Finance, including executing and delivering all such documents as may be necessary to maintain in force the pre-authorized payment system specified in any Offer of Finance.

5. **Collection of Debts.** Upon the occurrence of an event of default, hereunder, the Lender may, without exercising any of its other rights or remedies hereunder, give notice of the security interest in, and the assignment to, the Lender of any debt or liability forming part of the Collateral and may direct such person to make all payments on account of any such debt or liability to the Lender.

6. **Waiver of Covenants.** The Lender may waive in writing any breach by the Debtor of any of the provisions contained in this Security Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, provided that no such waiver or any other act, failure to act or omission by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights of the Lender resulting therefrom.

7. **Performance of Covenants by the Lender.** If the Debtor shall fail to perform any covenant on its part herein contained, the Lender may in its absolute discretion perform any such covenant capable of being performed by it, but the Lender shall be under no obligation to do so. If any such covenant requires the payment of money or if the Collateral or any part thereof shall become subject to any charge, lien, security interest or encumbrance ranking in priority to the security interest created hereby, the Lender may in its absolute discretion make such payment and/or pay or discharge such charge, lien, security interest or encumbrance, but the Lender shall be under no obligation to do so. All sums so paid by the Lender, together with interest at the highest rate chargeable by the Lender from time to time on the Obligations, shall be payable by the Debtor on demand and shall constitute a charge upon the Collateral. No such performance or payment shall relieve the Debtor from any default hereunder or any consequences of such default.

8. **Appointment of Monitor.** If in the opinion of the Lender, acting reasonably, a material adverse change has occurred in the financial condition of the Debtor, or if the Lender in good faith believes that the ability of the Debtor to pay any of its obligations to the Lender or to perform any other covenant contained herein has become impaired or if an event of default has occurred, the Lender may by written notice to the Debtor, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Collateral, the Debtor or its business and affairs for the purpose of reporting to the Lender. The Debtor shall give the Monitor its full co-operation, including full access to facilities, assets and records of the Debtor and to its creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Debtor nor shall it participate in the management of the Debtor's affairs and shall incur no liability in respect thereof or otherwise in connection with the Debtor, its business and affairs or the Collateral. The Monitor shall act solely on behalf of the Lender and shall have no contractual

relationship with the Debtor as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Security Agreement. All reasonable fees and expenses of the Monitor (including legal fees and disbursements on a solicitor and own client basis) shall be paid by the Debtor upon submission to it of a written invoice therefor. The Lender may at its option upon the occurrence of an event of default appoint or seek to have appointed the Monitor as receiver, receiver and manager, liquidator, or trustee in bankruptcy of the Debtor or the Collateral or any part thereof.

9. **Application of Insurance Proceeds.** Any insurance moneys received by the Lender may at the option of the Lender be applied to rebuilding or repairing the Collateral, or be paid to the Debtor, or any such moneys may be applied in the sole discretion of the Lender, in whole or in part, to the repayment of the Obligations or any part thereof whether then due or not, with any partial payments to be credited against principal instalments payable thereunder in inverse order of their maturity dates.

10. **No Merger or Novation.** The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Debtor to perform its obligations hereunder or to pay the Obligations hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of the Lender to interest in effect from time to time hereunder and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Security Agreement or of any instruments or documents supplemental hereto shall not operate as a merger of any representation, warranty, term, condition or other provision contained in any other obligation or indebtedness of the Debtor to the Lender or under any Offer of Finance.

11. **Security in Addition.** The security hereby constituted is in addition to any other security now or hereafter held by the Lender. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the security created hereby.

12. **Partial Discharges.** The Lender may in its sole discretion grant partial discharges or releases of security in respect of any of the Collateral on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the remainder of the security created hereby nor shall it alter the obligations of the Debtor under the Obligations or hereunder.

13. **Notice of Change.** The Debtor shall immediately notify the Lender in writing of any proposed change and any actual change in the Debtor's name or address or the location of the Collateral. The Debtor agrees to execute at the Debtor's expense, any instruments, notices or other documents required to effect any registration which the Lender deems necessary to protect its interest in the Collateral in any jurisdiction.

14. **Events of Default.** Each of the following events shall constitute an "event of default":

- (a) the Debtor does not pay any of the Obligations when due;
- (b) the Debtor ceases or threatens to cease to carry on its business or defaults in the performance or observance of any of the covenants in Sections 4(d), (e), (l) or (m) or Section 8 hereof;
- (c) if the Debtor defaults in the performance or observance of any condition or covenant contained in this Security Agreement, other than as referred to elsewhere in this Section 14, in any other security previously, now or hereafter granted to the Lender by the Debtor or in any other instrument or agreement (including any offer of finance) which the Debtor and the Lender are parties to (whether alone or with others) or issued by either the Company or the Lender to the other, and such default continues for ten (10) days after written notice thereof to the Debtor by the Lender;
- (d) the Debtor becomes bankrupt or insolvent or commits an act of bankruptcy, or any proceeding is commenced against, by or affecting the Debtor:
 - (i) seeking to adjudicate it a bankrupt or insolvent;
 - (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation or organization); or
 - (iii) seeking appointment of a receiver, receiver and manager, liquidator, trustee, agent, custodian or other similar official for it or for any part of its properties and assets, including the Collateral or any part thereof;
- (e) any order or judgment is issued by a court granting any of the relief referred to in Section 14(d) hereof;

- (f) if an encumbrancer or secured creditor shall appoint a receiver or agent or other similar official over any part of the Collateral, or take possession of any part of the Collateral or if any execution, distress or other process of any court becomes enforceable against any Collateral, or a distress or like process is levied upon any of such Collateral;
- (g) if the Debtor takes any proceedings for its dissolution, liquidation or amalgamation with another company or if the legal or corporate existence of the Debtor shall be terminated by expiration, forfeiture or otherwise;
- (h) if there is any material misrepresentation or misstatement contained in any certificate or document delivered by an officer or director of the Debtor in connection with any financing provided by the Lender;
- (i) if any representation, warranty or statement made on behalf of the Debtor in any Offer of Finance or any instrument made pursuant thereto is or becomes untrue in any material respect;
- (j) if any guarantor of the obligations of the Debtor to the Lender defaults in the performance of any condition or covenant in favour of the Lender or if any party to an instrument or agreement supplemental or collateral to this Security Agreement or the financing provided for herein defaults thereunder, and such default continues for ten (10) days after written notice thereof to the Debtor by the Lender;
- (k) if the Lender, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the Obligations is or is about to be impaired or that the Collateral or any part thereof is or is about to be placed in jeopardy;
- (l) if voting control of the Debtor as provided for in any Offer of Finance or as subsequently effected with the Lender prior written consent, shall change without the prior written consent of the Lender; or
- (m) if a default occurs under any agreement, promissory note, debt obligation, guarantee or otherwise now or hereafter granted to any other bank or financial institution by the Debtor.

15. **Enforcement.** Upon the happening of any event of default, the security granted herein shall become immediately enforceable and the Lender may at its option declare this Security Agreement to be in default and may exercise any rights, powers or remedies available to the Lender at law or in equity or under the Personal Property Security Act or other applicable legislation and, in addition, may exercise one or more of the following rights, powers or remedies, which rights, powers and remedies are cumulative:

- (a) to declare the full amount of the Obligations to be immediately due and payable;
- (b) to terminate the Debtor's right to possession of the Collateral, cause the Debtor to immediately assemble and deliver the Collateral at such place or places as may be specified by the Lender, and enter upon the premises where the Collateral is located and take immediate possession thereof, whether it is affixed to the realty or not, and remove the Collateral without liability to the Lender for or by reason of such entry or taking of possession, whether for damage to property caused by taking such or otherwise;
- (c) to enter upon and hold, possess, use, repair, preserve and maintain all or any part of the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (d) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon the whole of any part of the Collateral whether by public or private sale as the Lender in its absolute discretion may determine without notice to the Debtor or advertisement and after deducting from the proceeds of sale (including legal fees and disbursements on a solicitor and his own client basis) incurred in the repossession, sale, lease or other disposition of the Collateral apply the proceeds thereof to the Obligations in the manner and order to be determined by the Lender, provided however that the Lender shall only be liable to account to the Debtor, any subsequent encumbrancers and others for money actually received by the Lender and provided that the Debtor shall pay any deficiency forthwith;
- (e) to appoint by instrument in writing any person or persons to be a receiver or receiver and manager of all or any portion of the Collateral, to fix the receiver's remuneration and to remove any receiver so appointed and appoint another or others in its stead;
- (f) to apply to any court of competent jurisdiction for the appointment of a receiver or receiver and manager for all or any portion of the Collateral;
- (g) to retain the Collateral in satisfaction of the Obligations.

16. **Powers of Receiver.**

- (a) Any receiver (which term includes a receiver and manager) shall have all of the powers of the Lender set forth in this Security Agreement and, in addition, shall have the following powers:
 - (i) to lease all or any portion of the Collateral and for this purpose execute contracts in the name of the Debtor, which contracts shall be binding upon the Debtor and the Debtor hereby irrevocably constitutes such receiver as its attorney for such purposes;
 - (ii) to take possession of the Collateral, collect all rents, issues, incomes and profits derived therefrom and realize upon any additional or collateral security granted by the Debtor to the Lender and for that purpose may take any proceedings in the name of the Debtor or otherwise; and

to carry on or concur in carrying on the business which the Debtor is conducting and for that purpose the receiver may borrow money on the security of the Collateral in priority to this Security Agreement;

- (b) Any receiver appointed pursuant to the provisions hereof shall be deemed to be the agent of the Debtor for the purposes of:
 - (i) carrying on and managing the business and affairs of the Debtor, and
 - (ii) establishing liability for all of the acts or omissions of the receiver while acting in any capacity hereunder and the Lender shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Debtor irrevocably authorizes the Lender to give instructions to the receiver relating to the performance of its duties as set out herein.

17. Application of Moneys. All moneys actually received by the Lender or by the receiver pursuant to Sections 15 and 16 of this Security Agreement shall be applied:

- (a) first, in payment of those claims, if any, of secured creditors of the Debtor (including any claims of the receiver pursuant to Section 16(a), ranking in priority to the charges created by this Security Agreement as directed by the Lender or the receiver;
- (b) second, in payment of all costs, charges and expenses of and incidental to the appointment of the receiver (including legal fees and disbursements on a solicitor and own client basis) and the exercise by the receiver or the Lender of all or any of the powers granted to them under this Security Agreement, including the reasonable remuneration of the Receiver or any agent or employee of the receiver or any agent of the Lender and all outgoings properly paid by the receiver or the Lender in exercising their powers as aforesaid;
- (c) third, in or towards the payment to the Lender of all other obligations due to it by the Debtor in such order as the Lender in its sole discretion may determine;
- (d) fourth, in or towards the payment of the obligation of the Debtor to persons if any, with security interests against Collateral ranking subsequent to those in favour of the Lender; and
- (e) fifth, subject to applicable law any surplus shall be paid to the Debtor.

18. Possession of Collateral. The Debtor acknowledges that the Lender or any receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of the Collateral at such place or places as directed.

19. Deficiency. The Debtor shall remain liable to the Lender for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by the Lender and applied in accordance with the provisions of Section 17(c) hereof.

20. Assignment. This Security Agreement may be assigned by the Lender to any other person and, if so assigned, the assignee shall have and be entitled to exercise any and all discretions, rights and powers of the Lender hereunder, and all references herein to the Lender shall include such assignee. The Debtor may not assign this Security Agreement or any of its rights or obligations hereunder. This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Security Agreement and the security interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Lender.

21. Limited Power of Attorney. The Debtor hereby appoints the Lender as the Debtor's attorney, with full power of substitution, in the name and on behalf of the Debtor, to execute, deliver and do all such acts,

deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Debtor has agreed to execute, deliver and do hereunder, under any Offer of Finance or otherwise, or as may be required by the Lender or any receiver to give effect to this Security Agreement or in the exercise of any rights, powers or remedies hereby conferred on the Lender or any receiver, and generally to use the name of the Debtor in the exercise of all or any of the rights, powers or remedies hereby conferred on the Lender or any receiver. This appointment, being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Debtor or for any other reason.

22. **Severability.** Each of the provisions contained in this Security Agreement is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Security Agreement.

23. **Notices.** Any notice required or desired to be given hereunder or under any Offer of Finance or under any instrument supplemental hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to the Lender or to the Debtor at their respective addresses set out above and, in the case of electronic communication, to the facsimile numbers set out above. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice sent by facsimile or other means of electronic transmission shall be deemed to have been delivered on the Business Day following the sending of the notice, and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments herein referred to may be changed by notice in writing given pursuant hereto.

Notwithstanding the foregoing, if the Personal Property Security Act requires that notice be given in a special manner, then such notice or communication shall be given in such manner.

24. **General.**

- (i) The Debtor authorizes the Lender to file such financing statements, notices of security interest, caveats and other documents and do such acts and things as the Lender may consider appropriate to perfect its security in the Collateral, to protect and preserve its interest in the Collateral and to realize upon the Collateral.
- (ii) Nothing in this Security Agreement will in any way obligate the Lender to advance any funds, or otherwise make or cause to make credit available to the Debtor, nor will the Lender have any liability for any failure or delay in its part to exercise any rights hereunder.
- (iii) If more than one Debtor executes this Security Agreement, the obligations of such Debtors hereunder shall be joint and several.
- (iv) The division of this Security Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Security Agreement.
- (v) When the context so requires, the singular shall include the plural and vice versa and words importing gender include all genders; all rights, advantages, privileges, immunities, powers and things hereby secured to the Debtor shall be equally secured to and exercised by its successors and assigns.
- (vi) Time is of the essence in this Security Agreement.
- (vii) The Debtor, if a corporation, waives the rights, benefits and protection given by and agrees that The Limitation of Civil Rights Act and The Land Contracts (Actions) Act, both of Saskatchewan, shall not apply to this Security Agreement or to any agreement renewing or extending this Security Agreement or to the rights, powers or remedies of LENDER under this Security Agreement or under any agreement renewing or extending this Security Agreement.

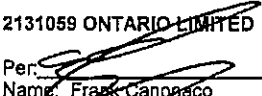
25. **Receipt.** The Debtor acknowledges that it has received an executed copy of this Security Agreement and, to the extent permitted by law, waives all rights to receive from the Lender a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Security Agreement or any supplemental or collateral security granted to the Lender.

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26. **Governing Law.** This Security Agreement or any amendment or renewal thereof will be governed by and construed in accordance with the laws of Ontario and the laws of Canada applicable therein and the Debtor hereby irrevocably attorns to the jurisdiction of the courts of such province.

The Debtor has duly executed this Security Agreement on the 8TH day of ~~October~~ ^{NOVEMBER}, 2012

2131059 ONTARIO LIMITED

Per:  c/s
Name: Frank Caporaso
Title: President
I have authority to bind the Corporation

Schedule "A"

Location of Collateral:

Part S½ Lot 16, Conc. 12, Innisfil being Part 1 on 51R-22928, except Part 4 on 51R-32586; s/t easement over parts 1, 2 and 3 on 51R-32586 as in SC212816, s/t easement in gross over Part 8 on 51R-34165 as in SC510541; Barrie and being PIN 58091-1689 and PCL 16-2 Sec 51 Innisfil 12; Part S½ of Lot 16, Conc. 12, Innisfil being Part 1 on 51R-22937; s/t easement in gross over part 6 on 51R-34165 as in SC510541; Barrie and being PIN 58091-0288 and known collectively as "Mapleview"

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Schedule "B"**PERMITTED ENCUMBRANCES**

- (i) liens for taxes, assessments, governmental charges or levies not at the time due;
- (ii) easements, rights of way or other similar rights in land which in the aggregate do not materially impair the usefulness in the business of the Debtor of the property subject thereto;
- (iii) rights reserved to or vested in any municipal, governmental or other public authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision, to terminate the same or to require annual or other periodic payments as a condition to the continuance thereof;
- (iv) any charge, lien, security interest or encumbrance the validity of which is being contested by the Debtor in good faith and in respect of which either there shall have been deposited with LENDER cash in an amount sufficient to satisfy the same or LENDER shall be otherwise satisfied that its interests are not prejudiced thereby;
- (v) validly perfected security given by the Debtor to its bankers on its Inventory or under assignments of its accounts receivable, except to the extent that such accounts receivable represent proceeds of the sale or disposition of Equipment or Real Property; and
- (vi) purchase money security interests consisting of any validly perfected charge, lien, security interest or other encumbrance, created, assumed or arising by operation of law after the date hereof, to provide or secure the whole or any part of the consideration for the acquisition of tangible personal property other than Inventory, where
 - (A) the principal amount secured thereby does not exceed the cost to the Debtor of such property,
 - (B) the Debtor's obligation to repay is secured only by the property so acquired by the Debtor,
 - (C) the property is not being acquired as a replacement or substitution for property and assets which are specifically charged hereby, and
 - (D) such security includes the renewal or refinancing of any such purchase money security interest on the same property provided that the indebtedness secured and the security therefor is not increased and remains validly perfected.
- (vii) PPSA registrations
 - (A) Priority: First
Secured Party: MarshallZehr Group Inc.
Collateral: Inventory, Equipment, Accounts, Other, MV
Expiry: January 5th, 2015
Registration #: 20091224 1257 1862 2834
File #: 658409166
 - (B) Priority: Second
Secured Party: Sussman Mortgage Funding Inc.
Collateral: Investment, Equipment, Accounts, Other, MV
GSA dated December 30th, 2009
Expiry: December 24, 2014
Registration #: 20100105 1430 2474 0221

**MARSHALLZEHR GROUP INC.
SECURITY AGREEMENT**

To: **MARSHALLZEHR GROUP INC. (the "Lender")**
465 Phillip Street #206
WATERLOO ON, N2L 6C7
Facsimile No. (519-342-0851)

From: **BAYWOOD HOMES PARTNERSHIP, by its Partners**
626353 Ontario Limited, 778788 Ontario Limited,
Nori Corp., Corner World Developments Inc. and
Vaughancord Holdings Inc. (collectively referred to as the "Debtor")
1140 Sheppard Avenue West, #12
TORONTO ON M3K 2A2
Fax: (416) 633-7491

1. **General Security Interest.** As security for the payment and performance of all present and future indebtedness, liabilities and obligations of the Debtor to the Lender, whether direct or indirect, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency or otherwise, under or in respect of agreements or dealings between the Debtor and Lender or agreements or dealings between the Debtor and others by which the Lender may be or become in any manner whatsoever a creditor of the Debtor including, without limitation, Obligations under (i) any and all letter agreements and offers to finance or offers to lease (the "Offers of Finance") entered into by the Debtor and the Lender from time to time, (ii) any promissory notes, guarantees or indemnities executed by the Debtor in favour of the Lender, and (iii) this Security Agreement (all such indebtedness, liabilities, obligations, expenditures, costs and expenses are hereinafter collectively referred to as the "Obligations"), the Debtor hereby assigns, charges, pledges, mortgages and grants to the Lender a security interest in all of the undertaking, property and assets of the Debtor, both real and personal, immovable and moveable, tangible and intangible, legal and equitable, of whatsoever nature and kind wheresoever situate, now owned or hereafter acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any right, title or interest (all of which is hereinafter called the "Collateral"), including without limitation:

- (a) **Intangibles** - all intangible property including without limitation book debts and accounts, all contractual rights and insurance claims, licences, computer software, warranties, ownership certificates, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Debtor;
- (b) **Books & Records** - all of the Debtor's, manuals, publications, letters, deeds, documents, writings, papers, invoices, 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;
- (c) **Equipment** - all of the Debtor's tools, machinery, equipment, apparatus, furniture, plants, fixtures, vehicles and other tangible personal property, other than inventory (as defined below), (collectively, the "Equipment") including, without limitation, the Equipment described in Schedule "A" hereto;
- (d) **Inventory** - all of the Debtor's tangible personal property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in a business or profession (collectively, the "Inventory");
- (e) **Real Property** - all of the Debtor's real and immovable property, both freehold and leasehold, now or hereafter owned, acquired or occupied by the Debtor, together with all buildings, erections, improvements and fixtures situate upon or used in connection therewith, including any lease, verbal or written or any agreement therefor, (collectively, the "Real Property") 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 Debtor, is excepted out of the Real Property charged by this Security Agreement, but should such charge become enforceable the Debtor shall thereafter stand possessed of the last day of such leasehold interest upon trust to assign and dispose thereof as Lender may direct;
- (f) **Other Property** - the Debtor's undertaking and all of the Debtor's other property and assets including, without limitation, uncalled capital, judgments, rights, franchises, chattel paper, documents of title, goods, instruments, money and securities (as those terms are defined in the Personal Property Security Act governing this Security Agreement); and
- (g) **Proceeds** - all of the Debtor's property in any form derived directly or indirectly from any use or dealing with the Collateral or that indemnifies or compensates for loss of or damage to the Collateral (collectively, the "Proceeds").

2. **Attachment.** The security interest given hereunder will attach immediately upon the execution of this Security Agreement. The security interest granted hereby has not been postponed and will attach to any particular Collateral as soon as the Debtor has rights in such Collateral.

3. **Representations and Warranties of the Debtor.** The Debtor represents and warrants to the Lender as follows:

- (a) The Debtor now owns or will own the Collateral, as the case may be, free and clear of any prior lien, security interest or encumbrance save and except for the security interest granted hereby and for those encumbrances as shown in Schedule "B" which have been validly perfected ("Permitted Encumbrances");
- (b) This Security Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Debtor;
- (c) The authorization, creation, execution and delivery of this Security Agreement and compliance with its terms
 - (i) does not and shall not contravene any applicable law, regulation, rule, order, judgment or injunction or the charter documents, by-laws or any unanimous shareholders' agreement of the Debtor; and
 - (ii) does not and shall not result in a breach of or a default under any indenture, instrument, lease, agreement or undertaking to which the Debtor is a party or by which it or the Collateral is or may become bound.

4. **General Covenants.** The Debtor hereby declares, covenants and agrees that it:

- (a) **Pay Costs** - shall pay all costs and expenses (including legal fees and disbursements on a solicitor and own client basis) of Lender incidental to or which in any way relates to this Security Agreement or its enforcement, including (i) the preparation, execution and filing of this Security Agreement and any instruments postponing, discharging, amending, extending or supplemental to this Security Agreement or any security required by any Offer of Finance ("Lender's Security"); (ii) perfecting and keeping perfected Lender's Security; (iii) maintaining the intended priority of Lender's Security on all or any part of the Collateral; (iv) taking, recovering or possessing the Collateral; (v) taking any actions or other proceedings to enforce the remedies provided herein or otherwise in relation to this Security Agreement or the Collateral, or by reason of a default under Lender's Security or the Offer of Finance or the non-payment of the moneys hereby secured; (vi) taking proceedings, giving notices and giving responses required under any applicable law concerning or relating to Lender's Security, including compliance with the provisions of applicable bankruptcy, insolvency, personal property security and mortgage enforcement legislation; (vii) responding to or participating in proceedings in the nature of those described in Sections 14(d), (e) and (f) hereof; and (viii) obtaining the advice of counsel and other advisors in relation to the foregoing;

all such costs and expenses and other monies payable hereunder, together with interest at the highest rate chargeable by Lender from time to time on the Obligations, shall form part of the Obligations, shall be payable by the Debtor on demand and shall be secured hereby;

- (b) **To Pay Rents and Taxes** - shall pay all rents, taxes and assessments lawfully imposed upon the Real Property where the Collateral is located or any part thereof when the same become due and payable, and shall show to Lender on request receipts for such payment;
- (c) **To Maintain Corporate Existence and Security** - shall maintain its corporate existence, shall maintain the security hereby created as valid, effective and perfected security at all times, shall observe and perform all of its obligations under leases, licences and other agreements to which it is a party so as to preserve and protect the Collateral and its value;
- (d) **Not to Sell** - shall not, except for Inventory sold in the ordinary course of business and except as otherwise permitted hereunder, remove, destroy, lease, sell or otherwise dispose or part with possession of any of the Collateral; provided that the Debtor may sell or otherwise dispose of furniture, machinery, equipment, vehicles and accessories which have become worn out or damaged or otherwise unsuitable for their purposes on condition that it shall substitute therefor, subject to the lien hereof and free from prior liens, security interests or encumbrances, property of equal value so that the security hereby constituted shall not thereby be in any way reduced or impaired;
- (e) **No Other Liens** - shall not create, assume or suffer to exist any charge, lien, federal or provincial government priority claim arising pursuant to statute including any deemed trust, security interest or encumbrance upon any Collateral other than Permitted Encumbrances. No provision hereof shall be construed as a subordination or postponement of the security interest created hereunder to or in favour of any other charge, lien, security interest or encumbrance, whether or not it is a Permitted Encumbrance, except that the Debtor may give security to its bankers on its Inventory or under assignments of its accounts receivable

(except to the extent that such accounts receivable represent proceeds of the sale or disposition of Equipment or Real Property) and such security, if validly perfected, shall rank prior to the interest granted hereby on such Inventory and accounts receivable without further action by the Lender.

- (f) **To Hold Proceeds of Unauthorized Sale in Trust** - in the event the Collateral or any part thereof is sold or disposed of prior to the full discharge of this Security Agreement by the Lender, in any manner not authorized by this Security Agreement, shall hold all proceeds of such sale or disposition received by the Debtor as trustee for the Lender until the Debtor has been fully released from this Security Agreement by the Lender;
- (g) **To Insure** - shall keep insured the Collateral to its full Insurable value or in such amounts as the Lender may reasonably require against all risks, with insurers approved by the Lender and will pay all premiums necessary for such purposes as the same shall become due; the proceeds under all policies of insurance are hereby assigned to the Lender subject to Permitted Encumbrances as further security hereunder and shall be payable to the Lender as its interest may appear and contain such mortgage clauses as the Lender may require; such policies or contracts shall be in terms reasonably satisfactory to the Lender and at the request of the Lender shall be delivered to and held by the Lender subject to the rights of the holders of Permitted Encumbrances;
- (h) **To Furnish Proofs** - shall forthwith on the happening of any loss or damage furnish at its expense all necessary proofs and do all necessary acts to enable the Lender to obtain payment of the insurance moneys subject to the rights of the holders of Permitted Encumbrances;
- (i) **Inspection by the Lender** - shall allow any employees or third parties retained by the Lender at any reasonable time to enter the premises of the Debtor or others to inspect the Collateral and to inspect the books and records of the Debtor relating to the Collateral and make extracts therefrom, and shall permit the Lender prompt access to such other persons, as the Lender may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Collateral or the books and records of the Debtor relating to the Collateral, provided that any information so obtained shall be kept confidential, save as required by the Lender in exercising its rights hereunder or pursuant to any applicable law or court order. The Debtor shall pay all costs and expenses of third parties (including legal fees and disbursements on a solicitor and own client basis) retained by the Lender for purposes of inspection under this Section 4(i);
- (j) **Use and Maintenance** - shall cause the Equipment and Inventory to be operated in accordance with any applicable manufacturer's manuals or instructions, by competent and duly qualified personnel. Any and all additions and accessions to and parts and replacements for the Equipment or Inventory shall immediately become subject to the security interest created hereby. The Debtor shall not change the intended use of the Collateral without the prior written consent of the Lender which will not be unreasonably withheld or delayed;
- (k) **Location of Collateral** - shall keep the Collateral at the locations set forth in Schedule "A" hereto, except for goods in transit to such locations, or Inventory on lease or consignment, or with the prior written consent of the Lender;
- (l) **No Affixation** - shall not permit the Collateral to be attached to or affixed to real or other personal property without the prior written consent of the Lender which will not be unreasonably withheld or delayed. The Debtor shall obtain and deliver to the Lender such waivers as the Lender may reasonably request from any owner, landlord or mortgagee of premises on which the Collateral is located or to which the Collateral may become affixed or attached. The Debtor shall promptly do, execute and deliver all such further acts, documents, agreements or assurances as the Lender may reasonably require for giving effect to the intent of this Security Agreement and shall register such notice or documents against the title to such premises as the Lender may reasonably request to protect its interests hereunder and shall maintain plates or marks showing the name of the Lender upon the Collateral as requested;
- (m) **Not to Remove** - prior to moving any of the Collateral from any location indicated in Schedule "A" hereto, or to leasehold property, the Debtor shall effect such further registrations and obtain such other consents and give such other security, at the sole cost and expense of the Debtor, as may be required or desirable to protect or preserve the security hereby created and to maintain the priority intended to be granted to the Lender hereunder as against all others including landlords, and the Debtor shall forthwith notify the Lender of the intended removal and the action proposed to be taken;
- (n) **Compliance with Environmental Laws**

- (i) shall conduct and maintain its business, operations, Real Property and the Collateral so as to comply in all respects with all applicable Environmental Laws, including obtaining all necessary licenses, permits, consents and approvals required to own or operate the Collateral and the business carried out on, at or from the Real Property;
- (ii) except as specifically permitted by the Lender in writing, it shall not permit or suffer to exist, Contaminants or dangerous or potentially dangerous conditions in, on or below the Real Property including, without limitation, any polychlorinated biphenyls, radio-active substances, underground storage tanks, asbestos or urea formaldehyde foam insulation;
- (iii) has no knowledge of the existence of Contaminants or dangerous or potentially dangerous conditions at, on or under the Real Property or any properties in the vicinity of the Real Property which could affect the Real Property or the market value thereof or in levels that exceed the standards in Environmental Laws;
- (iv) has no knowledge of the Real Property, or any portion thereof, having been used for the disposal of waste;
- (v) has not given or received, nor does it have an obligation to give, any notice, claim, communication or information regarding any past, present, planned or threatened treatment, storage, disposal, presence, release or spill of any Contaminant at, on, under or from the Real Property or any property in the vicinity of the Real Property, including any notice pursuant to any Environmental Laws or any environmental report or audit. The Debtor shall notify the Lender promptly and in reasonable detail upon receipt of any such claim, notice, communication or information or if the Debtor becomes aware of any violation or potential violation of the Debtor of any Environmental Laws and shall describe therein the action which the Debtor intends to take with respect to such matter;
- (vi) shall at the Debtor's expense establish and maintain a system to assure and monitor continued compliance with, and to prevent the contravention of, Environmental Laws, which system shall include periodic reviews of such compliance system and the Debtor shall provide an annual report to the Lender regarding the Debtor's environmental performance, and the effectiveness of such system;
- (vii) shall promptly advise the Lender in writing of any material adverse change in the environmental or other legal requirements affecting the Debtor or the Collateral or the Real Property upon the Debtor becoming aware of any such change, and the Debtor shall provide the Lender with a copy of any of the orders, by-laws, agreements or other documents pursuant to which any such change is effected or documented;
- (viii) shall at the Debtor's expense promptly take or cause to be taken any and all necessary remedial or clean-up action in response to the presence, storage, use, disposal, transportation, release or discharge of any Contaminant in, on, under or about any of the Real Property, or used by the Debtor, in compliance with all material laws including, without limitation, Environmental Laws, and in accordance with the orders and directions of all applicable federal, state, provincial, municipal and local governmental authorities;
- (ix) shall deliver to the Lender a true and complete copy of all environmental audits, evaluations, assessments, studies or tests relating to the Real Property, the Collateral or the Debtor now in its possession or control or forthwith after the completion thereof, or upon such materials coming into the Debtor's possession or control;
- (x) shall at the Debtor's expense, if reasonably requested by the Lender in writing, retain an environmental consultant acceptable to the Lender, acting reasonably, to undertake environmental tests and to prepare a report or audit with respect to the Real Property and deliver same to the Lender for its review; and
- (xi) shall indemnify and save harmless the Lender, its officers, directors, employees, agents and shareholders from and against all losses, liabilities, damages or costs (including legal fees and disbursement on a solicitor and own client basis) suffered including, without limitation, the cost or expense of any environmental investigation, the preparation of any environmental or similar report, and the costs of any remediation arising from or relating to any breach of the foregoing covenants of this Section 4(n), any breach by the Debtor or any other person now or hereafter having an interest in the Collateral or the Real Property which is asserted or claimed against the Lender; the presence, in any form, of any Contaminant on or under the Real Property, or the discharge, release, spill or disposal of any contaminant by the Debtor, which is asserted or claimed against any of these indemnified persons. This indemnity shall survive the payment in full of all amounts secured hereby and the

discharge of this Security Agreement. The Lender shall hold the benefit of this indemnity in trust for those indemnified persons who are not parties to this Security Agreement.

(xii) For the purposes hereof:

- a. "Contaminant" means any solid, liquid, gas, odour, heat, sound, smoke, waste, vibration, radiation or combination of any of them resulting directly or indirectly from human activities that may cause: (i) Impairment of the quality of the natural environment for any use that can be made of it, (ii) injury or damage to property or to plant or animal life, (iii) harm or material discomfort to any person, (iv) an adverse affect on the health of any person, (v) impairment of the safety of any person, (vi) rendering any property or plant or animal life unfit for use by man, (vii) loss of enjoyment of normal use of property, or (viii) interference with the normal conduct of business, and includes any pollutant or contaminant as defined in any applicable Environmental Laws and any biological, chemical or physical agent which is regulated, prohibited, restricted or controlled; and
- b. "Environmental Laws" means the common law and all applicable federal, provincial, local, municipal, governmental or quasi-governmental laws, rules, regulations, policies, guidelines, licences, orders, permits, decisions or requirements concerning Contaminants, occupational or public health and safety or the environment and any other order, injunction, judgment, declaration, notice or demand issued thereunder.

(o) **Financial Statements** - shall deliver to the Lender, in accordance with the terms of any Offers of Finance, its interim and annual financial statements, all of which financial statements shall be signed by an authorized officer of the Debtor and prepared in accordance with generally accepted accounting principles. The Debtor shall at the same time deliver to the Lender copies of all management reports prepared by the accountants or auditors of the Debtor together with any other statements stipulated in any Offer of Finance;

(p) **Offers of Finance** - shall comply with all provisions of the Offers of Finance, including executing and delivering all such documents as may be necessary to maintain in force the pre-authorized payment system specified in any Offer of Finance.

5. **Collection of Debts.** Upon the occurrence of an event of default, hereunder, the Lender may, without exercising any of its other rights or remedies hereunder, give notice of the security interest in, and the assignment to, the Lender of any debt or liability forming part of the Collateral and may direct such person to make all payments on account of any such debt or liability to the Lender.

6. **Waiver of Covenants.** The Lender may waive in writing any breach by the Debtor of any of the provisions contained in this Security Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, provided that no such waiver or any other act, failure to act or omission by the Lender shall extend to or be taken in any manner to affect any subsequent breach or default or the rights of the Lender resulting therefrom.

7. **Performance of Covenants by the Lender.** If the Debtor shall fail to perform any covenant on its part herein contained, the Lender may in its absolute discretion perform any such covenant capable of being performed by it, but the Lender shall be under no obligation to do so. If any such covenant requires the payment of money or if the Collateral or any part thereof shall become subject to any charge, lien, security interest or encumbrance ranking in priority to the security interest created hereby, the Lender may in its absolute discretion make such payment and/or pay or discharge such charge, lien, security interest or encumbrance, but the Lender shall be under no obligation to do so. All sums so paid by the Lender, together with interest at the highest rate chargeable by the Lender from time to time on the Obligations, shall be payable by the Debtor on demand and shall constitute a charge upon the Collateral. No such performance or payment shall relieve the Debtor from any default hereunder or any consequences of such default.

8. **Appointment of Monitor.** If in the opinion of the Lender, acting reasonably, a material adverse change has occurred in the financial condition of the Debtor, or if the Lender in good faith believes that the ability of the Debtor to pay any of its obligations to the Lender or to perform any other covenant contained herein has become impaired or if an event of default has occurred, the Lender may by written notice to the Debtor, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Collateral, the Debtor or its business and affairs for the purpose of reporting to the Lender. The Debtor shall give the Monitor its full co-operation, including full access to facilities, assets and records of the Debtor and to its creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Debtor nor shall it participate in the management of the Debtor's affairs and shall incur no liability in respect thereof or otherwise in connection with the Debtor, its business and affairs or the Collateral. The Monitor shall act solely on behalf of the Lender and shall have no contractual relationship with the Debtor as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Security Agreement. All reasonable fees and expenses of the Monitor (including legal fees and disbursements on a solicitor and own client basis) shall be paid by the Debtor upon

submission to it of a written invoice therefor. The Lender may at its option upon the occurrence of an event of default appoint or seek to have appointed the Monitor as receiver, receiver and manager, liquidator, or trustee in bankruptcy of the Debtor or the Collateral or any part thereof.

9. **Application of Insurance Proceeds.** Any insurance moneys received by the Lender may at the option of the Lender be applied to rebuilding or repairing the Collateral, or be paid to the Debtor, or any such moneys may be applied in the sole discretion of the Lender, in whole or in part, to the repayment of the Obligations or any part thereof whether then due or not, with any partial payments to be credited against principal instalments payable thereunder in inverse order of their maturity dates.

10. **No Merger or Novation.** The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Debtor to perform its obligations hereunder or to pay the Obligations hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of the Lender to interest in effect from time to time hereunder and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Security Agreement or of any instruments or documents supplemental hereto shall not operate as a merger of any representation, warranty, term, condition or other provision contained in any other obligation or indebtedness of the Debtor to the Lender or under any Offer of Finance.

11. **Security in Addition.** The security hereby constituted is in addition to any other security now or hereafter held by the Lender. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the security created hereby.

12. **Partial Discharges.** The Lender may in its sole discretion grant partial discharges or releases of security in respect of any of the Collateral on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the remainder of the security created hereby nor shall it alter the obligations of the Debtor under the Obligations or hereunder.

13. **Notice of Change.** The Debtor shall immediately notify the Lender in writing of any proposed change and any actual change in the Debtor's name or address or the location of the Collateral. The Debtor agrees to execute at the Debtor's expense, any instruments, notices or other documents required to effect any registration which the Lender deems necessary to protect its interest in the Collateral in any jurisdiction.

14. **Events of Default.** Each of the following events shall constitute an "event of default":

- (a) the Debtor does not pay any of the Obligations when due;
- (b) the Debtor ceases or threatens to cease to carry on its business or defaults in the performance or observance of any of the covenants in Sections 4(d), (e), (f) or (m) or Section 8 hereof;
- (c) if the Debtor defaults in the performance or observance of any condition or covenant contained in this Security Agreement, other than as referred to elsewhere in this Section 14, in any other security previously, now or hereafter granted to the Lender by the Debtor or in any other instrument or agreement (including any offer of finance) which the Debtor and the Lender are parties to (whether alone or with others) or issued by either the Company or the Lender to the other, and such default continues for ten (10) days after written notice thereof to the Debtor by the Lender;
- (d) the Debtor becomes bankrupt or insolvent or commits an act of bankruptcy, or any proceeding is commenced against, by or affecting the Debtor:
 - (i) seeking to adjudicate it a bankrupt or insolvent;
 - (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation or organization); or
 - (iii) seeking appointment of a receiver, receiver and manager, liquidator, trustee, agent, custodian or other similar official for it or for any part of its properties and assets, including the Collateral or any part thereof;
- (e) any order or judgment is issued by a court granting any of the relief referred to in Section 14(d) hereof;
- (f) if an encumbrancer or secured creditor shall appoint a receiver or agent or other similar official over any part of the Collateral, or take possession of any part of the Collateral or if any execution, distress or other process of any court becomes enforceable against any Collateral, or a distress or like process is levied upon any of such Collateral;

- (g) if the Debtor takes any proceedings for its dissolution, liquidation or amalgamation with another company or if the legal or corporate existence of the Debtor shall be terminated by expiration, forfeiture or otherwise;
- (h) if there is any material misrepresentation or misstatement contained in any certificate or document delivered by an officer or director of the Debtor in connection with any financing provided by the Lender;
- (i) if any representation, warranty or statement made on behalf of the Debtor in any Offer of Finance or any instrument made pursuant thereto is or becomes untrue in any material respect;
- (j) if any guarantor of the obligations of the Debtor to the Lender defaults in the performance of any condition or covenant in favour of the Lender or if any party to an instrument or agreement supplemental or collateral to this Security Agreement or the financing provided for herein defaults thereunder, and such default continues for ten (10) days after written notice thereof to the Debtor by the Lender;
- (k) if the Lender, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the Obligations is or is about to be impaired or that the Collateral or any part thereof is or is about to be placed in jeopardy;
- (l) if voting control of the Debtor as provided for in any Offer of Finance or as subsequently effected with the Lender prior written consent, shall change without the prior written consent of the Lender; or
- (m) if a default occurs under any agreement, promissory note, debt obligation, guarantee or otherwise now or hereafter granted to any other bank or financial institution by the Debtor.

15. **Enforcement.** Upon the happening of any event of default, the security granted herein shall become immediately enforceable and the Lender may at its option declare this Security Agreement to be in default and may exercise any rights, powers or remedies available to the Lender at law or in equity or under the Personal Property Security Act or other applicable legislation and, in addition, may exercise one or more of the following rights, powers or remedies, which rights, powers and remedies are cumulative:

- (a) to declare the full amount of the Obligations to be immediately due and payable;
- (b) to terminate the Debtor's right to possession of the Collateral, cause the Debtor to immediately assemble and deliver the Collateral at such place or places as may be specified by the Lender, and enter upon the premises where the Collateral is located and take immediate possession thereof, whether it is affixed to the realty or not, and remove the Collateral without liability to the Lender for or by reason of such entry or taking of possession, whether for damage to property caused by taking such or otherwise;
- (c) to enter upon and hold, possess, use, repair, preserve and maintain all or any part of the Collateral and make such replacements thereof and additions thereto as the Lender shall deem advisable;
- (d) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon the whole of any part of the Collateral whether by public or private sale as the Lender in its absolute discretion may determine without notice to the Debtor or advertisement and after deducting from the proceeds of sale (including legal fees and disbursements on a solicitor and his own client basis) incurred in the repossession, sale, lease or other disposition of the Collateral apply the proceeds thereof to the Obligations in the manner and order to be determined by the Lender, provided however that the Lender shall only be liable to account to the Debtor, any subsequent encumbrancers and others for money actually received by the Lender and provided that the Debtor shall pay any deficiency forthwith;
- (e) to appoint by instrument in writing any person or persons to be a receiver or receiver and manager of all or any portion of the Collateral, to fix the receiver's remuneration and to remove any receiver so appointed and appoint another or others in its stead;
- (f) to apply to any court of competent jurisdiction for the appointment of a receiver or receiver and manager for all or any portion of the Collateral;
- (g) to retain the Collateral in satisfaction of the Obligations.

16. **Powers of Receiver.**

- (a) Any receiver (which term includes a receiver and manager) shall have all of the powers of the Lender set forth in this Security Agreement and, in addition, shall have the following powers:

- (i) to lease all or any portion of the Collateral and for this purpose execute contracts in the name of the Debtor, which contracts shall be binding upon the Debtor and the Debtor hereby irrevocably constitutes such receiver as its attorney for such purposes;
- (ii) to take possession of the Collateral, collect all rents, issues, incomes and profits derived therefrom and realize upon any additional or collateral security granted by the Debtor to the Lender and for that purpose may take any proceedings in the name of the Debtor or otherwise; and

to carry on or concur in carrying on the business which the Debtor is conducting and for that purpose the receiver may borrow money on the security of the Collateral in priority to this Security Agreement;

- (b) Any receiver appointed pursuant to the provisions hereof shall be deemed to be the agent of the Debtor for the purposes of:
 - (i) carrying on and managing the business and affairs of the Debtor, and
 - (ii) establishing liability for all of the acts or omissions of the receiver while acting in any capacity hereunder and the Lender shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Debtor irrevocably authorizes the Lender to give instructions to the receiver relating to the performance of its duties as set out herein.

17. Application of Moneys. All moneys actually received by the Lender or by the receiver pursuant to Sections 15 and 16 of this Security Agreement shall be applied:

- (a) first, in payment of those claims, if any, of secured creditors of the Debtor (including any claims of the receiver pursuant to Section 16(a), ranking in priority to the charges created by this Security Agreement as directed by the Lender or the receiver;
- (b) second, in payment of all costs, charges and expenses of and incidental to the appointment of the receiver (including legal fees and disbursements on a solicitor and own client basis) and the exercise by the receiver or the Lender of all or any of the powers granted to them under this Security Agreement, including the reasonable remuneration of the Receiver or any agent or employee of the receiver or any agent of the Lender and all outgoings properly paid by the receiver or the Lender in exercising their powers as aforesaid;
- (c) third, in or towards the payment to the Lender of all other obligations due to it by the Debtor in such order as the Lender in its sole discretion may determine;
- (d) fourth, in or towards the payment of the obligation of the Debtor to persons if any, with security interests against Collateral ranking subsequent to those in favour of the Lender; and
- (e) fifth, subject to applicable law any surplus shall be paid to the Debtor.

18. Possession of Collateral. The Debtor acknowledges that the Lender or any receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of the Collateral at such place or places as directed.

19. Deficiency. The Debtor shall remain liable to the Lender for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by the Lender and applied in accordance with the provisions of Section 17(c) hereof.

20. Assignment. This Security Agreement may be assigned by the Lender to any other person and, if so assigned, the assignee shall have and be entitled to exercise any and all discretions, rights and powers of the Lender hereunder, and all references herein to the Lender shall include such assignee. The Debtor may not assign this Security Agreement or any of its rights or obligations hereunder. This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Security Agreement and the security interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Lender.

21. Limited Power of Attorney. The Debtor hereby appoints the Lender as the Debtor's attorney, with full power of substitution, in the name and on behalf of the Debtor, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Debtor has agreed to execute, deliver and do hereunder, under any Offer of Finance or otherwise, or as may be required by the Lender or any receiver to give effect to this Security Agreement or in the exercise of any rights, powers or remedies hereby conferred on the Lender or

any receiver, and generally to use the name of the Debtor in the exercise of all or any of the rights, powers or remedies hereby conferred on the Lender or any receiver. This appointment, being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Debtor or for any other reason.

22. **Severability.** Each of the provisions contained in this Security Agreement is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Security Agreement.

23. **Notices.** Any notice required or desired to be given hereunder or under any Offer of Finance or under any instrument supplemental hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to the Lender or to the Debtor at their respective addresses set out above and, in the case of electronic communication, to the facsimile numbers set out above. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice sent by facsimile or other means of electronic transmission shall be deemed to have been delivered on the Business Day following the sending of the notice, and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments herein referred to may be changed by notice in writing given pursuant hereto.

Notwithstanding the foregoing, if the Personal Property Security Act requires that notice be given in a special manner, then such notice or communication shall be given in such manner.

24. **General.**

- (i) The Debtor authorizes the Lender to file such financing statements, notices of security interest, caveats and other documents and do such acts and things as the Lender may consider appropriate to perfect its security in the Collateral, to protect and preserve its interest in the Collateral and to realize upon the Collateral.
- (ii) Nothing in this Security Agreement will in any way obligate the Lender to advance any funds, or otherwise make or cause to make credit available to the Debtor, nor will the Lender have any liability for any failure or delay in its part to exercise any rights hereunder.
- (iii) If more than one Debtor executes this Security Agreement, the obligations of such Debtors hereunder shall be joint and several.
- (iv) The division of this Security Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Security Agreement.
- (v) When the context so requires, the singular shall include the plural and vice versa and words importing gender include all genders; all rights, advantages, privileges, immunities, powers and things hereby secured to the Debtor shall be equally secured to and exercised by its successors and assigns.
- (vi) Time is of the essence in this Security Agreement.
- (vii) The Debtor, if a corporation, waives the rights, benefits and protection given by and agrees that The Limitation of Civil Rights Act and The Land Contracts (Actions) Act, both of Saskatchewan, shall not apply to this Security Agreement or to any agreement renewing or extending this Security Agreement or to the rights, powers or remedies of LENDER under this Security Agreement or under any agreement renewing or extending this Security Agreement.

25. **Receipt.** The Debtor acknowledges that it has received an executed copy of this Security Agreement and, to the extent permitted by law, waives all rights to receive from the Lender a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Security Agreement or any supplemental or collateral security granted to the Lender.


[Balance of Page intentionally left blank]

26. **Governing Law.** This Security Agreement or any amendment or renewal thereof will be governed by and construed in accordance with the laws of Ontario and the laws of Canada applicable therein and the Debtor hereby irrevocably attorns to the jurisdiction of the courts of such province.

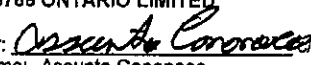
The Debtor has duly executed this Security Agreement on the 8th ^{NOVEMBER} day of October, 2012.

**BAYWOOD HOMES PARTNERSHIP,
by its Partners**


626353 ONTARIO LIMITED

Per:  c/s
Name: Tony Canonaco
Title: President
I have authority to bind the Corporation


778788 ONTARIO LIMITED

Per:  c/s
Name: Assunta Canonaco
Title: President
I have authority to bind the Corporation


NORI CORP.

Per:  c/s
Name: Ralph Canonaco
Title: President
I have authority to bind the Corporation

CORNER WORLD DEVELOPMENTS INC.

Per:  c/s
Name: Cora Canonaco
Title: President
I have authority to bind the Corporation

VAUGHANCORD HOLDINGS INC.

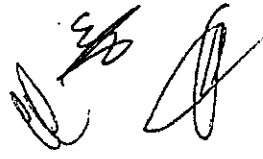
Per:  c/s
Name: Frank Canonaco
Title: President
I have authority to bind the Corporation

Schedule "A"



Location of Collateral:

Part S½ Lot 16, Conc. 12, Innisfil being Part 1 on 51R-22928, except Part 4 on 51R-32586; s/t easement over parts 1, 2 and 3 on 51R-32586 as in SC212816, s/t easement in gross over Part 8 on 51R-34165 as in SC510541; Barrie and being PIN 58091-1689 and PCL 16-2 Sec 51 Innisfil 12; Part S½ of Lot 16, Conc. 12, Innisfil being Part 1 on 51R-22937; s/t easement in gross over part 6 on 51R-34165 as in SC510541; Barrie and being PIN 58091-0288 and known collectively as "Mapleview"

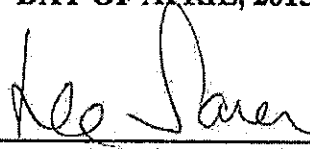


Schedule "B"

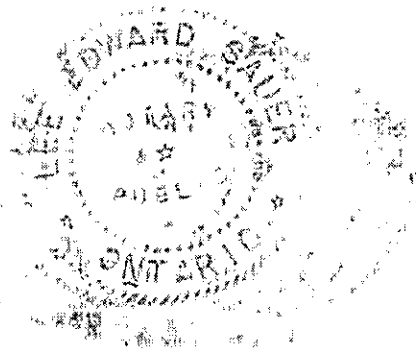
PERMITTED ENCUMBRANCES

- (i) liens for taxes, assessments, governmental charges or levies not at the time due;
- (ii) easements, rights of way or other similar rights in land which in the aggregate do not materially impair the usefulness in the business of the Debtor of the property subject thereto;
- (iii) rights reserved to or vested in any municipal, governmental or other public authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision, to terminate the same or to require annual or other periodic payments as a condition to the continuance thereof;
- (iv) any charge, lien, security interest or encumbrance the validity of which is being contested by the Debtor in good faith and in respect of which either there shall have been deposited with Lender cash in an amount sufficient to satisfy the same or Lender shall be otherwise satisfied that its interests are not prejudiced thereby;
- (v) validly perfected security given by the Debtor to its bankers on its Inventory or under assignments of its accounts receivable, except to the extent that such accounts receivable represent proceeds of the sale or disposition of Equipment or Real Property; and
- (vi) purchase money security interests consisting of any validly perfected charge, lien, security interest or other encumbrance, created, assumed or arising by operation of law after the date hereof, to provide or secure the whole or any part of the consideration for the acquisition of tangible personal property other than Inventory, where
 - (A) the principal amount secured thereby does not exceed the cost to the Debtor of such property,
 - (B) the Debtor's obligation to repay is secured only by the property so acquired by the Debtor,
 - (C) the property is not being acquired as a replacement or substitution for property and assets which are specifically charged hereby, and
 - (D) such security includes the renewal or refinancing of any such purchase money security interest on the same property provided that the indebtedness secured and the security therefor is not increased and remains validly perfected.

**THIS IS EXHIBIT "I" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29th
DAY OF APRIL, 2015.**



A Commissioner etc.



ACKNOWLEDGEMENT AND POSTPONEMENT AGREEMENT

To: Sussman Mortgage Funding Inc., B2B Trust, B2B Bank and BLML Developments Inc. (collectively, the "Second Mortgagees")

And to: Cowan & Carter, Barristers, Solicitors, Notaries, their solicitors

And to: MarshallZehr Group Inc. and The Bank of Nova Scotia Trust Company – new 1st mortgagees

And to: Sorbara, Schumacher, McCann LLP, their solicitors

And to: MarshallZehr Group Inc. (in trust) – former 1st mortgagee

And to: Sorbara, Schumacher, McCann LLP, their solicitors

Re: Second Mortgagees mortgage from 2131059 Ontario Limited

WHEREAS:

1. Pursuant to a commitment letter issued by MarshallZehr Group Inc. to 2131059 Ontario Limited (the "Borrower") dated December 7, 2009 (the "Original Commitment") and a loan agreement entered into between the Borrower and MarshallZehr Group Inc., dated December 30, 2009 (the "Loan Agreement"), the Borrower has issued a first charge/mortgage in favour of MarshallZehr Group Inc. over certain lands described as Part S ¼ of Lot 16, Con 12 Innisfil being Part 1 on 51R-22928, except Part 4 on 51R-32586; s/t easement over Parts 1, 2 and 3 on 51R-32586 as in SC212816, s/t easement in gross over Part 8 on 51R-34165 as in SC510541; Barrie and being PIN 58091-1589 and PCL 16-2 Sec 51 Innisfil being Part 1 on 51R-22937; s/t easement in gross over Part 6 on 51R-34165 as in SC510541; Barrie and being PIN 58091-0288 (collectively, the "Lands") registered in the land titles office for the Land Titles Division of Simcoe (No. 51) at Barrie on December 31, 2009 as Instrument No. 792792 (the "First Mortgage").
2. The Second Mortgagees have, pursuant to a mortgage commitment dated December 4, 2009 as amended, (the "Second Mortgagees' Commitment") loaned the Borrower Two Million Five Hundred Thousand (\$2,500,000.00) Dollars and taken as primary security a second mortgage on the Lands registered in the land titles office for the Land Titles Division of Simcoe (No. 51) at Barrie on December 31, 2009

as Instrument No. 792819 as assigned to the Second Mortgagee (the "Second Mortgage")

3. MarshallZehr Group Inc. executed an Acknowledgement and Postponement Agreement dated December 31, 2009 in favour of Sussman Mortgagee Funding Inc. (the "Original Assignment and Postponement Agreement").
 4. The Original Assignment and Postponement Agreement provides that MarshallZehr Group Inc. will not assign its security given under the Original Commitment and Loan Agreement without obtaining from such assignee its agreement to assign the Original Assignment and Postponement Agreement in favour of Sussman Mortgage Funding Inc. and to notify Sussman Mortgage Funding Inc. of the assignment and to provide Sussman Mortgage Funding Inc. with a copy of the assignment agreement.
 5. MarshallZehr Group Inc. has issued a commitment letter to the Borrower dated June 28, 2012, as amended October 31, 2012 (the "MZG/Scotia Commitment"), whereby MarshallZehr Group Inc. and The Bank of Nova Scotia Trust Company agree to loan monies to the Borrower on different term than the Original Commitment and Loan Agreement.
 6. The Second Mortgage is currently outstanding in the principal sum of \$2,500,000.00 plus accrued and unpaid interest in the amount of \$782,805.40 for a total of \$3,282,805.40;
 7. The Borrower and the Second Mortgagees have agreed to amend the Second Mortgagee's Commitment by:
 - (a) reducing the interest rate from 16% per annum to 15% per annum commencing December 16, 2012;
 - (b) extending the maturity date to December 15, 2013;
 - (c) requiring a prepayment of three (3) months interest for the payments due in January, February and March 2013;
 - (d) requiring a renewal fee of up to \$160,000.00; and
 - (e) the payment of all legal fees and disbursements in connection with the foregoing all pursuant to a mortgage amending agreement (the "Second Mortgage Amendment")
 8. MarshallZehr Group Inc. and The Bank of Nova Scotia Trust Company have agreed to postpone Three Million Three Hundred Twelve Thousand Five Hundred (\$3,312,500.00) Dollars of the registered principal amount of the
-

First Mortgage as assigned/amended plus interest and costs thereon in favour of payment of the Second Mortgagees of indebtedness due to them pursuant to the Second Mortgage as amended by the Second Mortgage Amendment.

- 9. The parties desire to enter into new assignment and postponement agreement to evidence the foregoing.

IN CONSIDERATION of the premises, MarshallZehr Group Inc. and The Bank of Nova Scotia Trust Company advancing money to the Borrower pursuant to the MZG/Scotia Commitment and the Second Mortgagees having advanced monies to the Borrower pursuant to the Second Mortgagees' Commitment, the parties hereto agree as follows:

- (A) The existing Original Acknowledgement and Postponement Agreement given by MarshallZehr Group Inc. in favour of Sussman Mortgage Funding Inc. dated the 31st day of December, 2009 is declared null and void.
- (B) The Second Mortgagees consent to the transfer and amendment of the first mortgage pursuant to the terms of the transfer of charge/mortgage and mortgage amending agreement affixed hereto in Schedule "A".
- (C) MarshallZehr Group Inc. and The Bank of Nova Scotia Trust Company ("MZG/Scotia") postpone payment of Three Million Three Hundred Twelve Thousand Five Hundred (\$3,312,500.00) Dollars of the registered principal amount of the First Mortgage as assigned/amended (as further secured by the other security constituting the MZG/Scotia Security) together with all interest, costs and all other amounts owing thereunder to payment of the full amount of the funds owing to the Second Mortgagees as evidenced by the Second Mortgage and the Second Mortgage Amendment.
- (D) The parties confirm and agree that the balance of the principal amount of the First Charge, as assigned and amended, being Fourteen Million Four Hundred Thousand (\$14,400,000.00) Dollars, together with all interest, costs and all other amounts owing thereunder shall be a first charge upon the Lands and have complete priority to the Second Mortgage and the Second Mortgage Amendment.
- (E) MZG/Scotia agree not to assign any of the MZG/Scotia Security without obtaining from such assignee its agreement to sign this document in favour of the Second Mortgagees and to notify the Second Mortgagees of the assignment and provide the Second Mortgagees with a copy of the assignee's agreement.
- (F) MZG/Scotia and the Second Mortgagees agree to sign such further documents as may be required to give effect to this Acknowledgement and Postponement Agreement.

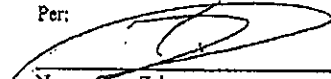


- (G) Notwithstanding any provision of the First Mortgage as assigned to MZG/Scotia and amended by the MZG/Scotia Commitment, MZG/Scotia shall not seek to enforce any remedy against the Borrower that results in retaining or taking the Lands in satisfaction of the indebtedness at any time that the Second Mortgage is outstanding at the time when MZG/Scotia is enforcing its mortgage security. Alternatively, MZG/Scotia shall be permitted to retain or take the Lands in satisfaction of the indebtedness if they full payout the indebtedness owed to the Second Mortgagees under the Second Mortgage and the Second Mortgage Amendment prior to taking or retaining title to the said Lands.
 - (H) MZG/Scotia agree to take no steps to collect the Equity Bonus through enforcement of its security against the Lands or any other security of any nature now or hereafter held by MZG/Scotia including any guarantees from any third parties until the Second Mortgagee has been fully paid out on account of all loans to the Borrower pursuant to the Second Mortgage and the Second Mortgage Amendment.
 - (I) This Acknowledgement and Postponement Agreement may be executed by the parties either by original signature or by facsimile signature and in one or more counterparts, each of which when so executed and delivered shall be an original and such counterparts shall together constitute one and the same instrument.
-

- (H) This Acknowledgement and Postponement Agreement may be executed by the parties either by original signature or by facsimile signature and in one or more counterparts, each of which when so executed and delivered shall be an original and such counterparts shall together constitute one and the same instrument.
- (I) This Acknowledgement and Postponement Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successor and permitted assigns.


MARSHALLZEHR GROUP INC.

Per:


 Name: Greg Zehr
 Title: President
 I have authority to bind the Corporation.

THE BANK OF NOVA SCOTIA TRUST COMPANY

Per:


 Name: David MacBeth
 Title: Director
 I have authority to bind the Bank

SUSSMAN MORTGAGE FUNDING INC.

Per:

 Name:
 Title:
 I have authority to bind the Corporation.

B2B TRUST

Per:

 Name:
 Title:
 I have authority to bind the Trust

BLML DEVELOPMENTS INC.

Per:

 Name:
 Title:
 I have authority to bind the Corporation.

B2B BANK

Per:

 Name:
 Title:
 I have authority to bind the Bank

benefit of and be binding upon the parties hereto and their respective successor and permitted assigns.

MARSHALLZEHR GROUP INC.

Per:

Name: Greg Zehr
Title: President
I have authority to bind the Corporation.

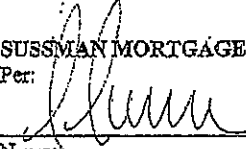
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Per:

Name: David MacBeth
Title: Director
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SUSSMAN MORTGAGE FUNDING INC.

Per:

Name: 
Title:
I have authority to bind the Corporation.

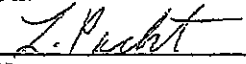
B2B TRUST

Per:

Name:
Title:
I have authority to bind the Trust

BLML DEVELOPMENTS INC.

Per:

Name: 
Title:
I have authority to bind the Corporation.

B2B BANK

Per:

Name:
Title:
I have authority to bind the Bank

(3) This Acknowledgement and Postponement Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successor and permitted assigns.

MARSHALLZEHR GROUP INC.

THE BANK OF NOVA SCOTIA TRUST COMPANY

Per:

Per:

Name: Greg Zehr
Title: President
I have authority to bind the Corporation.

Name: David MacBeth
Title: Director
I have authority to bind the Bank

SUSSMAN MORTGAGE FUNDING INC.

B2B TRUST

Per:

Elizabeth Andaya
Administration Coordinator
Self-Directed Mortgages

Elizabeth Andaya

Name:
Title:
WE I have authority to bind the Corporation

Janet Paulino
Senior Administration Officer
Self-Directed Mortgages

Name:
Title:
I have authority to bind the Trust

BLML DEVELOPMENTS INC.

B2B BANK

Per:

Elizabeth Andaya
Administration Coordinator
Self-Directed Mortgages

Elizabeth Andaya

Name:
Title:
WE I have authority to bind the Corporation

Janet Paulino
Senior Administration Officer
Self-Directed Mortgages

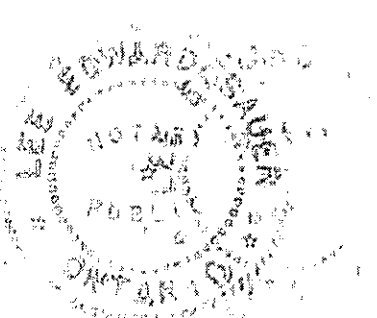
Name:
Title:
I have authority to bind the Bank

Regd Mto # SC 792819.

**THIS IS EXHIBIT "J" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29th
DAY OF APRIL, 2015.**

Lee Anne

A Commissioner etc.



MARSHALLZEHR

- REAL ESTATE CAPITAL -

Friday June 14, 2013

2131059 Ontario Limited
1140 Sheppard Ave. W., Suite 12
Toronto, ON
M3K 2A2

Attention: Frank Canonaco

Dear Frank,

Re: Expected Costs to finish OMB for Mapleview Property in Barrie

Project Name: Mapleview "4th" ("Project")

This commitment letter confirms that MarshallZehr Group Inc. ("Lender") is prepared to provide financing (the "Loan") for the Project conditional on the terms and conditions contained in this letter agreement (the "Commitment").

I. LOAN

Borrower: 2131059 Ontario Limited ("Borrower")

Guarantors: Ralph Canonaco, Tony Canonaco, Frank Canonaco and Baywood Homes Partnership together with such other related parties as the Lender may deem advisable (the "Guarantors")

Lender: MarshallZehr Group Inc. ("MZG") and/or such other assignee or investors as MarshallZehr Group Inc. may arrange to participate in the Loan.

Project Lands: Those lands and premises described as PIN 58091-1689 LT, PT S1/2 LT 16 CON 12 INNISFIL PT 1 51R22928 EXCEPT PT 4 51R32586; S/T EASE OVER PTS 1, 2 & 3 51R32586 AS IN SC212816; CITY OF BARRIE, COUNTY OF SIMCOE; and PIN 58091-0288 LT, PCL 16-2 SEC 511NNT2; PT S 1/2 OF LOT 16 CON 12 INNISFIL PT 1 51R22937; CITY OF BARRIE, COUNTY OF SIMCOE

Purpose: 3rd Mortgage to finalize costs for DPA, pay existing payables and for interest reserve for this mortgage and the 1st mortgage

Funding Date: Funding will occur as soon as possible

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- Loan Amount:** CAD 1,100,000.00 (the "Loan"). The Lender will raise CAD 700,000.00 of the Loan and if the Loan is not repaid by August 5, 2013, the Lender will raise the balance of 400,000.00. *(included in the initial raise of CAD 700,000, is an interest reserve of CAD 16,333.33 for 2 months of interest (including the 1 month penalty), CAD 322,000 of for existing payables, CAD 144,000 for expected costs to finish the OMB, CAD 176,300 for two interest payments on the Lender's 1st Mortgage and the balance of CAD 39,366.67 for other costs). To be held by MarshallZehr Group Inc. in Trust to pay for above costs directly. If the loan is not repaid early and the balance of the Loan is raised, the balance of CAD 400,000 will be for an interest reserve on both the 1st and 4th mortgages.
- Term:** 7 months open (commencing from the date of the initial advance (the "Interest Adjustment Date" or "IAD")).
- Interest Rate:** 20.00% per annum, for the first 6 months of the term, as follows: 14.00% per annum, calculated and compounded monthly with interest only payments made monthly from the interest reserve and 6.00% per annum, calculated and compounded semi-annually, not in advance, with all interest accruing to the end of the Term and payable on maturity. The 7th month shall be the start of the wrap up period and bear interest at 25.00% payable monthly. To be made by way of direct withdrawal from the Borrower's account upon the depletion of the Interest Reserve.
- Note: Interest is calculated on the day of closing of the transaction and will be charged on the day of payment of the mortgage if it is received after 1 p.m. EST.
- Principal Payments:** There shall be no regularly scheduled principal repayments and the entire outstanding principal amount shall become due and payable at maturity.
- Prepayment:** The mortgage may be prepaid in whole or in part at any time or times. If notice of prepayment occurs before August 5, 2013, the Borrower agrees to pay the Lender interest up to September 5, 2013 on the date of repayment.
- Broker Fees:** The Borrower shall pay the following broker fees to the transaction mortgage broker, Clarity Mortgage Inc.*:
- Contingency Success Fee:** 5.0% of the borrowed amount OR CAD 55,000 paid at the end of the term. If the Borrower repays early*, on or before August 5, 2013, the Lender will reduce the Contingency Success Fee by 75% to CAD 13,750.00.
- *Repayment must be the whole of the 1st, 3rd and 4th mortgages held by the Lender to receive the 75% reduction.
- FSCO Fee:** An additional fee of CAD 1,250.00 payable to Clarity Mortgage Inc. will be paid by the Borrower in order to complete the FSCO required documentation.
- * or the mortgage brokerage that holds the licenses for the Agents of MarshallZehr Group Inc. at the time.
- Standby fee:** Once the Commitment Letter is executed, interest will begin to accrue from and after July 5, 2013 in the form of Standby interest that will be payable by the Borrower on a bi-weekly basis as an interest only payment at the rate of 20% per

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annum until the mortgage is registered and not until that time will the Interest Rate and payments as before mentioned in this Commitment letter begin.

Lender Fees: If applicable.

Expenses: All reasonable expenses of the Lender and the Borrower shall be paid by the Borrower including (but not limited to), the cost of any third party reports and all legal costs. Upon request the Lender shall provide an estimate of the legal fees to be incurred by the Lender. Regardless, the Borrower is responsible for all reasonable legal fees incurred by the Lender.

No Subordinate Financing: No additional financing will be permitted other than the existing second, third fourth and fifth mortgages.

Maximum Rate of Return: The parties agree that notwithstanding any agreement to the contrary, no interest on the credit advanced will be payable in excess of that permitted by the laws of Canada.

If the effective annual rate of interest calculated in accordance with generally accepted actuarial practices and principles would exceed sixty percent (or such other rate as the Parliament of Canada may deem from time to time as The Criminal Rate) on the credit advance, then (1) the amount of any fees, bonus, commissions or like charges payable in connection therewith will be reduced to the extent necessary to eliminate such excess; (2) any remaining excess that has been paid will be credited toward prepayment of the credit advanced; and (3) any overpayment that may remain after such crediting will be returned forthwith upon demand. In this paragraph the terms "interest", "Criminal Rate" and "credit advanced" have the meaning ascribed to them in Section 347 of The Criminal Code; and "credit advanced" has the same meaning as "Loan" referred to elsewhere in this Commitment.

Administration Fee Payable on Default: In the event of a default by the Borrower or any Guarantor in their respective obligations under this Commitment, Loan or Security that is not cured within a reasonable period of time following receipt of written notice of default from the Lender, then, the Lender shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements, an administration and management fee in the amount of CAD 5,000.00 for each month or part thereof that the Borrower and/or any Guarantor is in default of its obligations under the Commitment, Loan or Security. The said sum or sums are agreed to be liquidated damages to cover the Lender's administration and management costs and are not intended nor shall they be construed as a penalty. All such sums payable to the Lender shall be a charge upon the Project and its assets and interest shall accrue thereon as if they were Loan principal. If the Borrower is in default, interest will compound monthly and accrue on the principal balance outstanding.

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II. TERMS AND CONDITIONS

The Loan terms and conditions shall be such terms and conditions as the Lender may from time to time require and shall include, but not be limited to the following:

2.1 Funding Conditions

The Lender shall not be required to advance any funds prior to the Borrower having fulfilled to the Lender's satisfaction the following conditions:

1. All the Security and ancillary loan agreements and documents and opinions shall have been executed and delivered to the Lender or its solicitors and registered where and as required.
2. The Lender shall have satisfied itself with the financial performance and condition of the Borrower and each of the Guarantors in the Lender's sole discretion. Each of the Borrowers and Guarantors shall provide within five business days of the date of execution of this Commitment, at a minimum, financial statements for its two most recently ended fiscal years together with interim statements to date for the present fiscal year. To facilitate the Lender's due diligence regarding the creditworthiness of the Borrower and each of the Guarantors, each of the Guarantors and the Borrower shall authorize the Lender to conduct credit checks and each of the financial institutions with which the Borrower and the respective Guarantors deal to release any and all information reasonably required and requested by the Lender to adequately assess the credit worthiness of each respectively. Each of the Individual Guarantors shall complete the Lender's form of Personal Net Worth Statement.
3. The Borrower shall deliver to the Lender within five business days of the acceptance of this Commitment for the Lender's satisfactory review and acceptance the following:
 - (a) Each of the Individual Guarantors shall have provided Notices of Assessment received from the CRA with respect to their respective income tax filings for the two most recently ended taxation years.
 - (b) Clause removed intentionally.
 - (c) Mortgage Statement from Sandy Sussman and the Marshall Zehr Group Inc. 1st mortgage confirming the outstanding principal balances.
 - (d) MZG or a related party may post two MZG signs (on each main street).
 - (e) The current MZG 3rd mortgage in the amount of \$4,712,500.00 will postpone to this new 3rd mortgage, and assume 4th position.
 - (f) The loan to value ratio, as determined in the Lender's sole discretion, shall not be greater than 75%.
4. All taxes will be brought up to date and maintained current by 2131059 Ontario Limited or the mortgage will be deemed to be in default.
5. All fees and expenses of Marshall Zehr Group Inc. or its consultants for the purposes of managing the project, the approval process or the mortgage risk will be paid by Boywood at CAD 100.00/hour.
 - a. The Lender shall have the authority to contact the City Planners, Engineers, and any other professionals in relation to this project to request updates on the project. The Lender will also have the right to call meetings for updates on the DPA and

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Commitment Ampleview New 4th of 1306141s (draft)

take-out financing process and the Lender must be fully satisfied with the progress otherwise the mortgage will be deemed in default.

6. Baywood agrees to provide authorization to MarshallZehr Group Inc. and its consultants to have full communication and release of information from all trades, governing authorities and other related bodies.
7. The Mortgage shall contain a cross default clause so that if any other security on title is in default, the mortgage shall be deemed to be in default.
8. Such other matters as the Lender may deem appropriate and necessary to satisfy itself of the Project's viability and the ability of the Borrower and Guarantors to fulfil their obligations herein.
9. The execution, delivery and registration of all security pursuant to the fourth mortgage commitment between the Borrower and the Lender even dated herewith.

III. SECURITY TO BE DELIVERED

The Borrower shall deliver the following security (the "Security") duly registered where applicable subject only to the Primary Lender's security and all in the form and on the terms acceptable to the Lender's solicitors:

1. A fourth mortgage in the amount of CAD 1,100,000.00 on the Mapleview project and property plus accrued interest and Broker Fees.
2. Assignment of Leases and Rents. (the "GSA")
3. General Security Agreement over all of the assets and undertaking of the Borrower and each corporate Guarantor, if any. ("the existing GSA's shall stand as security for this loan)
4. Unlimited joint and several guarantees from each of the guarantors.
5. An Environmental Undertaking and Indemnity and Checklist from the Borrower in such form as the Lender shall require.
6. A favourable Letter of Opinion from the Lender's solicitor confirming the validity and enforceability of the Lender's security.
7. Assignment of insurance.
8. Commercial Liability Insurance.
9. Title Insurance.
10. Postponement, Subrogation and Assignment from the shareholders of the Borrower (and such other creditors as the Lender may require upon completion of its due diligence) of all indebtedness owed by and claims against the Borrower to and by the shareholders to the indebtedness and claims of the Lender.

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11. If required by the Lender such preauthorized payment documentation necessary to authorize the Lender to debit directly from the Borrower's account amounts due under the Commitment and Loan.
12. Such further security, guarantors and ancillary documents and agreements as the Lender or its solicitors may, acting reasonably, deem necessary to adequately secure the Loan obligations and complete and perfect the Security.
13. Borrower provides satisfactory proof that taxes are current, a certificate of liability insurance showing the Lender as additional insured, and coverage of not less than CAD 5,000,000.00.

IV. BORROWERS COVENANTS

The Borrower and, where applicable, each of the Guarantors covenants as follows and a breach of any covenant shall be a default under the terms of the Security:

1. The Borrower shall not assign, transfer or otherwise dispose of this Commitment or the Security without the Lender's prior written consent. However, the Commitment and Security may be assigned by the Lender in whole or in part to another lender(s). Except as hereinafter provided, the Borrower and Guarantor consent to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Project, the Borrower, and the Guarantor within the possession or control of the Lender.
2. Without the Lender's prior written consent having first been obtained, the Borrower shall not sell, transfer, convey or charge, mortgage or otherwise encumber or suffer a lien to be registered on the Project or its rights therein. In the event of a breach by the Borrower of this covenant then, at the sole option of the Lender, all monies outstanding, together with all accrued and unpaid interest thereon and any other amounts due under the Commitment or the Security, shall become due and payable.
3. The Borrower shall not commit any waste on the lands.
4. The Borrower shall not permit any transfer or issuance of shares in the share capital of the Borrower or in the officers and directors or a change in the terms or the termination of the shareholders agreement made between the Borrower and each of its shareholders, without the prior written consent of the Lender.
5. On each anniversary date of the mortgage, the Borrower will provide to the Lender proof that the taxes are current, an update that insurance is still in effect and updated financial statements for the Borrower and any corporate guarantor as well as updated personal net worth statements for any personal guarantors.
6. The Borrower shall provide editorial updates including status updates on the project and photos showing the progress on the project for our file on a quarterly basis starting 3 months after registration of the mortgage.
7. The Borrower covenants and agrees to use all due diligence and proceed with all due dispatch in pursuing the appeal of its draft plan of subdivision to the Ontario Municipal Board for the Project so as to obtain the unit yield dated March 30, 2012, all in continued consultation with the Lender. The Borrower shall keep the Lender fully informed as to its progress at the Ontario Municipal Board and with the city of Barrie and agrees to provide

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the Lender with copies of all documentation, plans, reports, surveys, test results and all relevant documentation relating to the Project as may be requested from time to time by the Lender.

V. DEFAULT PROVISIONS

1. Upon any default under this Commitment or the Security, that is not cured in a reasonable period of time following notice of default by the Lender, the Lender may declare, after providing reasonable written notice, any or all of the obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Lender or not, and the Lender may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Project or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Borrower. Any such receiver or receivers so appointed shall have power to take possession of the Project or any part thereof and to carry on the business of the Borrower, and to borrow money required for the maintenance, preservation or protection of the Project or any part thereof, and to further charge the Project in priority to the security constituted by this Commitment as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Project on such terms and conditions and in such manner as he shall determine. In exercising any powers, any such receiver or receivers shall act as agent or agents for the Borrower and the Lender shall not be responsible for his or their actions.
2. In addition, the Lender may enter upon the applicable premises and lease or sell the whole or any part or parts of the Project. The Borrower agrees that it will be commercially reasonable to sell such part of the Project:
 - (a) as a whole or in various units;
 - (b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and
 - (c) by private sale after the receipt by the Lender of at least two offers from prospective arms-length purchasers.
3. Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Lender in its sole discretion may seem advantageous and such sale may take place whether or not the Lender has taken possession of such property and assets.
4. No remedy for the realization of the security hereof or for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this letter includes a receiver and manager.

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VI. GENERAL PROVISIONS

1. The Lender shall have no obligation to advance funds unless and until all of the above terms and conditions have been deemed by the Lender to be complete, true and otherwise in all respects satisfactory, in the Lender's sole discretion.
2. No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantor.
3. The Lenders' solicitors shall be:

SorbaraLaw
300 Victoria Street North
Kitchener, Ontario N2H 6R9

The Borrower's solicitor shall be:

~~Steven Sager~~
Macdonald Sager Manis LLP Barristers & Solicitors and Trade-Mark Agents
150 York Street, Suite 800, Toronto, Ontario, M5H 3S5
T. 416.364.1553 | F. 416.364.1453

The Borrower shall bear any and all reasonable legal costs of the Lender.

4. Time is of the essence in this Commitment.
5. The Borrower and Guarantors agree that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment and this Commitment shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
6. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.
7. The representations, warranties, covenants and obligations herein set out shall not merge or be extinguished by the execution or registration of the Security but shall survive until all obligations under this Commitment and the Security have been duly performed and the Loan, Interest thereon and any other moneys payable to the Lender are repaid in full. In the event of any inconsistency or conflict between any of the provisions of the Commitment and any provision or provisions of the Security, the provisions of the Security will prevail.
8. No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantor.

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MuskokaZehr Group Inc. - Mortgage Administration Num: 11955

- 9. Notwithstanding the registration of the Security or the advancement of funds, the terms of this Commitment Letter shall not merge with the delivery and/or registration of the Security and shall remain in full force and effect. Any default under the terms of this Commitment Letter shall be deemed a default under the Security and any default under the terms of the Security shall be deemed a default under the terms hereof. In the event of a conflict between the terms of the Security and the terms of this Commitment Letter, the Lender, in its sole discretion may determine which shall take precedence and govern.
- 10. This Agreement may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same Instrument. A facsimile or electronic copy of an executed counterpart shall be deemed to be an original.

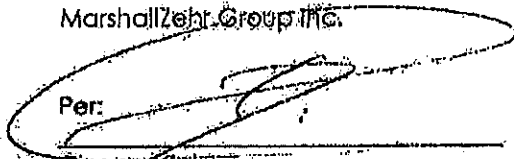
If you are in agreement with the above terms, please indicate such agreement by signing and forwarding to the undersigned a copy of this letter. The execution of this letter does not obligate the Lender to advance any of the agreed funds unless all of the conditions to such advances have been satisfied to the satisfaction of the Lender and its solicitors.

By signing this Commitment Letter the Borrowers and Guarantors agree that the Lender may obtain credit and other financially related information about the Borrower(s) and the Guarantor(s), including reports from other credit grantors, consumer reporting agencies and credit bureau.

Unless this Commitment Letter is accepted by the Borrower and all required Guarantors within two business days of the date hereof by delivery of a fully executed copy to the Lender, then, at the Lender's sole option, the Commitment shall be terminated.

Yours truly,

MarshallZehr Group, Inc.



Per:

Gregory Zehr
President


I have authority to bind the corporation

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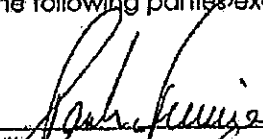
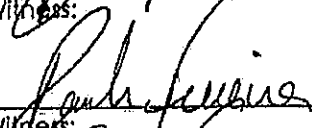
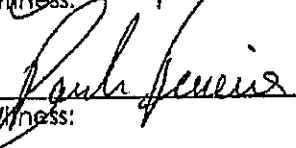
Acknowledged and agreed at TORONTO this 18 day of June, 2013.


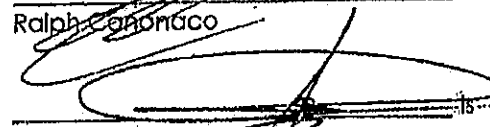
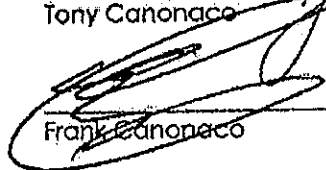
Borrower:

2131059 Ontario Limited

Per: 
Name: Frank Canonaco
Title:
I have authority to bind the corporation


The following parties execute this commitment letter in their capacities as guarantors only.


Witness:

Witness:

Witness:



Ralph Canonaco

Tony Canonaco

Frank Canonaco

BAYWOOD HOMES PARTNERSHIP, by its Partners

626353 ONTARIO LIMITED

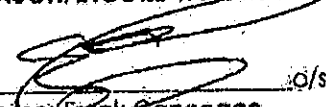

Name: Tony Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

NORI CORP.

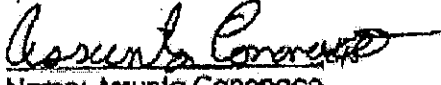

Name: Ralph Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

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VAUGHANCORD HOLDINGS INC.


_____/s
Name: Frank Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

778788 ONTARIO LIMITED



Name: Assunta Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

CORNER WORLD DEVELOPMENTS INC.

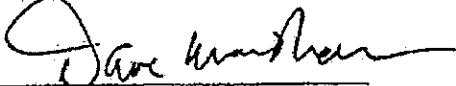
_____/s
Name: Cora Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

Lender:

I HEREBY accept the terms and conditions as stated herein.

DATED at Waterloo, this 28th day of June, 2013

MarshallZehr Group Inc. "in Trust"

Per: 

David Marshall

"I/We have the authority to bind the Corporation"

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VAUGHANCORD HOLDINGS INC.

Name: Frank Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

778788 ONTARIO LIMITED

Name: Assunta Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

CORNER WORLD DEVELOPMENTS INC.


Name: Cora Canonaco
Title: Authorized Signing Officer
I have authority to bind the corporation.

Lender:

I HEREBY accept the terms and conditions as stated herein.

DATED at Waterloo, this _____ day of June, 2013

MarshallZehr Group Inc. "In Trust"

Per: _____
David Marshall

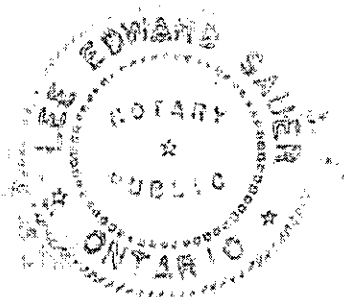
"I/We have the authority to bind the Corporation"

465 Phillip St., Suite 206, Waterloo, ON, N2L 6C7
p. 519.342.0852 f. 519.342.0851
Clarity Mortgage Inc. - Brokerage Num: 10907
MarshallZehr Group Inc. - Mortgage Administration Num: 11955

**THIS IS EXHIBIT "K" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29th
DAY OF APRIL, 2015.**

Lesane

A Commissioner etc.



58091-0288 (LT)

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

PROPERTY DESCRIPTION: PCL 16-2 SEC 51R1N12; PT S 1/2 OF LT 16 CON 12 INWISFL PT 1 51R22937 . S/T BASE IN CROSS OVER PT 6 PL 51R34165 AS IN SC510541; BARRIE

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1998/05/25

OWNERS' NAMES
2131059 ONTARIO LIMITED

CAPACITY: SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERY/ CHRD
EFFECTIVE	2000/07/29	THE NOTATION OF THE	"BLOCK IMPLEMENTATION DATE" OF 1998/05/25 ON THIS PIN			
WAS REPLACED WITH THE	"FIN CREATION DATE"	OF 1998/05/25				
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 1998/05/22 **						
425510586	1992/04/27	APL (GENERAL)		*** COMPLETELY DELETED ***	SCHULIAKEMICH, HELGA	C
51R22937	1992/04/27	PLAN REFERENCE				C
SC70752	2002/11/08	NOTICE		PALADIN DEVELOPMENTS CONSULTANTS INC.		
CORRECTIONS: 'INSTRUMENT TYPE' CHANGED FROM 'APPLICATION' TO 'NOTICES' ON 2002/11/19 BY JANE POTTER. 'THIS INSTRUMENT' WAS DELETED FROM PROPERTY 58091-3303 IN ERROR AND WAS RE-INSTRUMENTED ON 2007/11/02 BY COLLEEN MOREHH.						
SC240838	2004/07/15	TRANSFER		*** COMPLETELY DELETED *** SCHULIAKEMICH, HELGA	1615263 ONTARIO INC.	
SC240876	2004/07/15	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	SCHULIAKEMICH, HELGA SCHULIAKEMICH, GIANNI	
SC240878	2004/07/15	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.	
SC241051	2004/07/16	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	FERRSDALE ESTATES INC.	
SC313591	2005/03/17	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	SURA DEVELOPMENTS CORP.	
SC338349	2005/06/16	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	FERRSDALE ESTATES INC.	

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58091-0288 (LT)

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC338350	2005/06/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** FERNDALE ESTATES INC.		
	REMARKS: RE: SC341051					
SC338351	2005/06/16	POSTPONEMENT		*** COMPLETELY DELETED *** JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.	SORA DEVELOPMENTS CORP	
	REMARKS: SC240878 TO SC313591					
SC338352	2005/06/16	POSTPONEMENT		*** COMPLETELY DELETED *** JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.	FERNDALE ESTATES INC.	
	REMARKS: SC240878 TO SC338349					
SC349229	2005/07/21	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	1540090 ONTARIO INC.	
SC349230	2005/07/21	POSTPONEMENT		*** COMPLETELY DELETED *** JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.	1540090 ONTARIO INC.	
	REMARKS: SC249878 TO SC349229					
51R34165	2005/12/02	PLAN REFERENCE				
SC407658	2006/01/30	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	C-1 HOLDINGS INC.	
SC421266	2006/03/22	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	FIRM CAPITAL MORTGAGE FUND INC.	
SC422558	2006/03/28	POSTPONEMENT		*** COMPLETELY DELETED *** JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.	FIRM CAPITAL MORTGAGE FUND INC.	
	REMARKS: SC240878 TO SC421266					
SC422559	2006/03/28	POSTPONEMENT		*** COMPLETELY DELETED *** C-1 HOLDINGS INC.	FIRM CAPITAL MORTGAGE FUND INC.	
	REMARKS: SC407658 TO SC421266					
SC422560	2006/03/28	POSTPONEMENT		*** COMPLETELY DELETED *** SORA DEVELOPMENTS CORP.	FIRM CAPITAL MORTGAGE FUND INC.	
	REMARKS: SC313591 TO SC421266					
SC422615	2006/03/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** SCHULIAKEMWICH, HELGA SCHULIAKEMWICH, GIANNI	FIRM CAPITAL MORTGAGE FUND INC.	

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58091-0288 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
SC422720	2006/03/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** FERNDAL ESTATES INC.		
				REMARKS: RE: SC422720		
SC422721	2006/03/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1540090 ONTARIO INC.		
				REMARKS: RE: SC422721		
SC423093	2006/03/29	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** RICHARDSON FOSTER LTD.		
SC425670	2006/04/06	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** FLYNN LANDSCAPE DESIGN INC.		
SC427291	2006/04/12	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	RICHARDSON FOSTER LTD.	
				REMARKS: RE: SC427291		
SC427523	2006/04/13	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** RUMBALL, EXCAVATION & HAULAGE INC.		
SC437134	2006/05/15	CERTIFICATE		*** COMPLETELY DELETED *** RUMBALL EXCAVATION & HAULAGE INC.		
				REMARKS: SC427523		
SC439517	2006/05/23	APL (GENERAL)		*** COMPLETELY DELETED *** FLYNN LANDSCAPE DESIGN INC.		
				REMARKS: - SC425670 - CERTIFICATE OF ACTION		
SC442291	2006/05/31	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** RICHARDSON FOSTER LTD.		
SC458839	2006/07/19	CERTIFICATE		*** COMPLETELY DELETED *** RICHARDSON FOSTER LTD.		
				REMARKS: SC442291		
SC491840	2006/10/25	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	NODEL, KARL HOAK, ALBERT	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
SC510541	2007/01/03	TRANSFER EASEMENT	\$2	1615263 ONTARIO INC.	THE CORPORATION OF THE CITY OF BARRIE	C
SC542506	2007/05/11	NOTICE REMARKS: EXTENDING SC407698		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	C-1 HOLDINGS INC.	
SC542507	2007/05/11	NOTICE REMARKS: AMENDING SC313591		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	SORA DEVELOPMENTS CORP.	
SC542526	2007/05/11	DIS CONSTRUCT LIEN REMARKS: RE: SC442291		*** COMPLETELY DELETED ***	RICHARDSON FOSTER LTD.	
SC542530	2007/05/11	DISCH OF CHARGE REMARKS: RE: SC491640		*** COMPLETELY DELETED *** MODEL, KARL HOAR, ALBERT		
SC542584	2007/05/11	DIS CONSTRUCT LIEN REMARKS: RE: SC425670		*** COMPLETELY DELETED ***	FLYNN LANDSCAPE DESIGN INC.	
SC542597	2007/05/11	DIS CONSTRUCT LIEN REMARKS: RE: SC427523		*** COMPLETELY DELETED ***	RUMBALL EXCAVATION & HAULAGE INC.	
SC542787	2007/05/11	TRANSFER	\$10,800,000	1615263 ONTARIO INC.	2131059 ONTARIO LIMITED	C
SC542788	2007/05/11	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	1615263 ONTARIO INC.	
SC546854	2007/07/23	DISCH OF CHARGE REMARKS: RE: SC40878		*** COMPLETELY DELETED *** JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.		
SC672313	2008/08/13	NOTICE REMARKS: SC421266		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	FIRM CAPITAL MORTGAGE FUND INC.	
SC736194	2009/05/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.		

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REG. NDM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
				REMARKS: RE: SC742788		
SC749257	2009/07/09	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	TRISAN EQUITABLE CORPORATION	
SC761395	2009/08/25	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	MONEYLOGIX GROUP, INC.	
SC761396	2009/08/25	NOTICE		MONEYLOGIX GROUP, INC.		
SC772733	2009/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** TRISAN EQUITABLE CORPORATION		
				REMARKS: RE: SC749257		
SC772741	2009/10/07	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	2219657 ONTARIO INC.	
SC772777	2009/10/08	POSTPONEMENT		*** COMPLETELY DELETED *** MONEYLOGIX GROUP, INC.	2219657 ONTARIO INC.	
				REMARKS: SC761395 TO SC772741		
SC772778	2009/10/08	POSTPONEMENT		*** COMPLETELY DELETED *** MONEYLOGIX GROUP, INC.	2219657 ONTARIO INC.	
				REMARKS: SC761396 TO SC772741		
SC772779	2009/10/08	NOTICE		*** COMPLETELY DELETED *** 2219657 ONTARIO INC.		
				REMARKS: SC761395, SC761396		
SC782460	2009/11/17	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** MONEYLOGIX GROUP, INC.	2223715 ONTARIO INC.	
				REMARKS: SC761395		
SC782464	2009/11/17	NOTICE		*** COMPLETELY DELETED *** 2223715 ONTARIO INC.		
SC782465	2009/11/17	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	2041054 ONTARIO LIMITED	
SC782481	2009/11/17	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	MONEYLOGIX GROUP, INC.	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERY/ CEKD
SC792792	2009/12/31	CHARGE	\$17,712,500	2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC.	C
SC792819	2009/12/31	CHARGE	\$2,500,000	2131059 ONTARIO LIMITED	SUSSMAN MORTGAGE FUNDING INC.	C
SC793282	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** MONEYLOGIX GROUP, INC.		
		REMARKS: SC782481.				
SC793283	2010/01/05	POSTPONEMENT		2041054 ONTARIO LIMITED		
		REMARKS: SC761396 TO SC792792				
SC793290	2010/01/05	DISCH OF CHARGE		MONEYLOGIX GROUP, INC.	MARSHALLZEHR GROUP INC.	C
		REMARKS: SC421266.				
SC793312	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** FIRM CAPITAL MORTGAGE FUND INC.		
		REMARKS: SC313591.				
SC793314	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** SOBA DEVELOPMENTS CORP.		
		REMARKS: SC407698.				
SC793348	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2219657 ONTARIO INC.		
		REMARKS: SC772741.				
SC793349	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2223715 ONTARIO INC.		
		REMARKS: SC761395.				
SC793350	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2041054 ONTARIO LIMITED		
		REMARKS: SC782463.				
SC793368	2010/01/05	POSTPONEMENT		2219657 ONTARIO INC.		
		REMARKS: SC772779 TO SC792792				
SC793369	2010/01/05	POSTPONEMENT		*** COMPLETELY DELETED *** 2223715 ONTARIO INC.	MARSHALLZEHR GROUP INC.	

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58991-0288 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC793383	2010/01/05	POSTPONEMENT		MONYLOGIX GROUP, INC.	SUSSMAN MORTGAGE FUNDING INC.	C
SC793384	2010/01/05	POSTPONEMENT		*** COMPLETELY DELETED *** 2219657 ONTARIO INC.	SUSSMAN MORTGAGE FUNDING INC.	C
SC793385	2010/01/05	POSTPONEMENT		*** COMPLETELY DELETED *** 2223715 ONTARIO INC.	SUSSMAN MORTGAGE FUNDING INC.	C
SC805443	2010/03/09	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST	C
SC814585	2010/04/23	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
SC825339	2010/06/03	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC.	
SC827230	2010/06/11	APL (GENERAL)		*** COMPLETELY DELETED *** 2223715 ONTARIO INC.		
SC827231	2010/06/11	APL (GENERAL)		*** COMPLETELY DELETED *** 2219657 ONTARIO INC.		
SC827403	2010/06/11	NOTICE		*** COMPLETELY DELETED *** MARSHALLZEHR GROUP INC.		
SC840087	2010/07/26	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
SC844439	2010/08/12	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST	C

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REMARKS: SC792819					B2B TRUST B2B TRUST	C
SC854046	2010/09/23	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC860498	2010/10/21	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** TROW ASSOCIATES INC.		
SC860639	2010/10/22	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC865994	2010/11/16	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC868124	2010/11/25	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** TROW ASSOCIATES INC.		
REMARKS: SC860498						
SC872707	2010/12/15	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC878971	2011/01/20	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC883986	2011/02/17	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC885810	2011/02/28	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST	C
REMARKS: SC792819 SC792819						

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SC893567	2011/04/06 REMARKS: SC792819	TRANSFER OF CHARGE		B2B TRUST	SUSSMAN MORTGAGE FUNDING INC.	C
SC893651	2011/04/07 REMARKS: SC792819	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST B2B TRUST	C
SC896177	2011/04/20 REMARKS: SC792819	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
SC902547	2011/05/19 REMARKS: SC792819	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST B2B TRUST	C
SC908798	2011/06/15 REMARKS: SC792819	TRANSFER OF CHARGE		B2B TRUST	SUSSMAN MORTGAGE FUNDING INC.	C
SC909986	2011/06/15 REMARKS: SC792819	TRANSFER OF CHARGE		B2B TRUST	SUSSMAN MORTGAGE FUNDING INC.	C
SC909987	2011/06/21 REMARKS: SC792819	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	BLML DEVELOPMENTS INC.	C
SC917770	2011/07/21 REMARKS: SC792819	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST	C
SC925834	2011/09/08	CHARGE	\$1,500,000	2131059 ONTARIO LIMITED	B2B TRUST B2B TRUST B2B TRUST 626353 ONTARIO LIMITED NORI CORP. VAUGHANCORD HOLDINGS INC. 778798 ONTARIO LIMITED	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
SC959176	2012/01/24	TRANSFER OF CHARGE REMARKS: SC792819		B2B TRUST B2B TRUST	CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP	C
SC974756	2012/04/17	TRANSFER OF CHARGE REMARKS: SC792819		SUSSMAN MORTGAGE FUNDING INC.	SUSSMAN MORTGAGE FUNDING INC.	C
SC980262	2012/05/10	DISCH OF CHARGE REMARKS: SC825339		*** COMPLETELY DELETED *** MARSHALLZEHR GROUP INC.	B2B TRUST B2B TRUST	C
SC986599	2012/06/06	TRANSFER OF CHARGE REMARKS: SC792819		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST	C
SC988054	2012/06/13	TRANSFER OF CHARGE REMARKS: SC792819		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST	C
SC1014445	2012/09/27	TRANSFER OF CHARGE REMARKS: SC792819		SUSSMAN MORTGAGE FUNDING INC.	B2B BANK B2B BANK B2B BANK	C
SC1026178	2012/11/23	APL (GENERAL) REMARKS: DELETE SC827403		*** COMPLETELY DELETED *** MARSHALLZEHR GROUP INC.	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
SC1028117	2012/11/30	TRANSFER OF CHARGE REMARKS: SC792792		MARSHALLZEHR GROUP INC.	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
SC1028137	2012/11/30	NOTICE REMARKS: SC792792, SC1028117	\$2	2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
SC1028138	2012/11/30	NO ASSIGN RENT GEN REMARKS: SC792792		2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SCI028161	2012/11/30	POSTPONEMENT		SUSSMAN MORTGAGE FUNDING INC. B2B TRUST BLML DEVELOPMENTS INC. B2B BANK	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
		REMARKS: SC792819 TO SC792792				
SCI028162	2012/11/30	POSTPONEMENT		626353 ONTARIO LIMITED NORI CORP. VAUGHANCORD HOLDINGS INC. 778788 ONTARIO LIMITED CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
		REMARKS: SC929834 TO SC792792				
SCI028163	2012/11/30	CHARGE	\$4,712,500	2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC.	C
SCI028178	2012/11/30	POSTPONEMENT		626353 ONTARIO LIMITED NORI CORP. VAUGHANCORD HOLDINGS INC. 778788 ONTARIO LIMITED CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP	MARSHALLZEHR GROUP INC.	C
		REMARKS: SC929834 TO SCI028163				
SCI028959	2012/12/04	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUSTCO	C
		REMARKS: SC792819.				
SCI045414	2013/03/14	NOTICE	\$2	2131059 ONTARIO LIMITED	SUSSMAN MORTGAGE FUNDING INC. B2B TRUST BLML DEVELOPMENTS INC. B2B BANK B2B TRUSTCO	C
		REMARKS: AMENDING SC792819				
SCI045415	2013/03/14	NOTICE	\$2	SUSSMAN MORTGAGE FUNDING INC. B2B TRUST BLML DEVELOPMENTS INC. B2B BANK		C
		REMARKS: SC792819 - NOTICE OF INTEREST				
SCI046529	2013/03/21	NOTICE		SUSSMAN MORTGAGE FUNDING INC. B2B TRUST		C

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58091-0288 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SCI1050104	2013/04/10	TRANSFER OF CHARGE		BLML DEVELOPMENTS INC. B2B BANK	B2B TRUSTCO B2B TRUSTCO B2B TRUSTCO	C
		REMARKS: SC792819.				
SCI1080430	2013/08/27	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	SUSSMAN MORTGAGE FUNDING INC.	C
		REMARKS: SC792819 & SCI050104 SC792819				
SCI1080949	2013/08/29	TRANSFER OF CHARGE		BLML DEVELOPMENTS INC.	COMMUNITY TRUST COMPANY COMMUNITY TRUST COMPANY COMMUNITY TRUST COMPANY	C
		REMARKS: SC792819				
SCI1083185	2013/09/06	NOTICE		2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
		REMARKS: SC7922792				
SCI1083192	2013/09/06	POSTPONEMENT		SUSSMAN MORTGAGE FUNDING INC. COMMUNITY TRUST COMPANY	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
		REMARKS: SC792819 TO SCI1083185				
SCI1083201	2013/09/06	POSTPONEMENT		MARSHALLZEHR GROUP INC.	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
		REMARKS: SCI1028163 TO SCI1083185				
SCI1083204	2013/09/06	POSTPONEMENT		626353 ONTARIO LIMITED NORI CORP. VAUGHANCORD HOLDINGS INC. 778788 ONTARIO LIMITED CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C

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58091-0288 (17)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
SCI083208	2013/09/06	CHARGE	\$1,100,000	2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC.	C
SCI083211	2013/09/06	NO ASSEN RENT GEN		2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC.	C
SCI083215	2013/09/06	POSTPONEMENT		MARSHALLZEHR GROUP INC.	MARSHALLZEHR GROUP INC.	C
SCI083226	2013/09/06	POSTPONEMENT		626353 ONTARIO LIMITED NORI CORP. VAUGHANCORD HOLDINGS INC. 778788 ONTARIO LIMITED CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP	MARSHALLZEHR GROUP INC.	C
SCI083227	2013/09/06	NOTICE		2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC.	C
SCI083229	2013/09/06	POSTPONEMENT		626353 ONTARIO LIMITED NORI CORP. VAUGHANCORD HOLDINGS INC. 778788 ONTARIO LIMITED CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP	MARSHALLZEHR GROUP INC.	C

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58091-1689 (LF)

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PROPERTY DESCRIPTION: PT S1/2 LT 16 CON 12 INNISFIL PT 1 51R22928 EXCEPT FT 4 51R32586; S/T EASE OVER FTS 1, 2 & 3 51R32586 AS IN SC212816, S/T EASE IN GROSS OVER FT 8 ON PL 51R34165 AS IN SC510541; BARRIE

PROPERTY REMARKS:
ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 58091-0286

PIN CREATION DATE:
2004/06/21

CAPACITY SHARE

OWNERS' NAMES
2131059 ONTARIO LIMITED

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHED
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2004/05/10 **						
51R22928	1992/04/24	PLAN REFERENCE				C
SC70752	2002/11/08	NOTICE		PALADIN DEVELOPMENTS CONSULTANTS INC.		C
CORRECTIONS: 'INSTRUMENT TYPE' CHANGED FROM 'APPLICATION' TO 'NOTICE' ON 2002/11/19 BY JANE POTTER. 'THIS INSTRUMENT' WAS DELETED FROM PROPERTY 58091-3303 IN ERROR AND WAS RE-INSTATED ON 2007/11/02 BY COLLEEN MURPHY.						
SC78066	2002/12/05	TRANSFER		*** COMPLETELY DELETED *** MCCLUSKEY, GARRY	MCCLUSKEY, GARRY MCCLUSKEY, GLORIA ANN	
51R32586	2004/02/12	PLAN REFERENCE				C
SC212816	2004/04/22	TRANSFER EASEMENT	\$2	MCCLUSKEY, GARRY MCCLUSKEY, GLORIA ANN	THE CORPORATION OF THE CITY OF BARRIE	C
51R32851	2004/06/22	PLAN REFERENCE				C
SC234294	2004/06/28	TRANSFER		*** COMPLETELY DELETED *** MCCLUSKEY, GARRY MCCLUSKEY, GLORIA ANN	1615263 ONTARIO INC.	
REMARKS: PLANNING ACT STATEMENTS						
SC234295	2004/06/28	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	MCCLUSKEY, GARRY MCCLUSKEY, GLORIA ANN	
SC240878	2004/07/15	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.	
SC241051	2004/07/16	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	FERRALDE ESTATES INC.	

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58091-1689 (LT)

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC313591	2005/03/17	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	SORA DEVELOPMENTS CORP.	
SC338349	2005/06/16	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	FERRDALE ESTATES INC.	
SC338350	2005/06/16	DISCH OF CHANGE		*** COMPLETELY DELETED *** FERRDALE ESTATES INC.		
		REMARKS: RE: SC241051				
SC338351	2005/06/16	POSTPONEMENT		*** COMPLETELY DELETED *** JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.	SORA DEVELOPMENTS CORP	
		REMARKS: SC240878 TO SC313591				
SC338352	2005/06/16	POSTPONEMENT		*** COMPLETELY DELETED *** JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.	FERRDALE ESTATES INC.	
		REMARKS: SC240878 TO SC338349				
SC349229	2005/07/21	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	1540090 ONTARIO INC.	
SC349230	2005/07/21	POSTPONEMENT		*** COMPLETELY DELETED *** JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.	1540090 ONTARIO INC.	
		REMARKS: SC249878 TO SC349229				
51R34165	2005/12/02	PLAN REFERENCE				
SC407698	2006/01/30	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	C-1 HOLDINGS INC.	
SC421266	2006/03/22	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	FIRM CAPITAL MORTGAGE FUND INC.	
SC422558	2006/03/28	POSTPONEMENT		*** COMPLETELY DELETED *** JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.	FIRM CAPITAL MORTGAGE FUND INC.	
		REMARKS: SC240878 TO SC421266				
SC422559	2006/03/28	POSTPONEMENT		*** COMPLETELY DELETED *** C-1 HOLDINGS INC.	FIRM CAPITAL MORTGAGE FUND INC.	
		REMARKS: SC407698 TO SC421266				

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHGD
SC422560	2006/03/28	POSTPONEMENT		*** COMPLETELY DELETED *** SORA DEVELOPMENTS CORP.	FIRM CAPITAL MORTGAGE FUND INC.	
		REMARKS: SC113591 TO SC421266				
SC422720	2006/03/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** FERNDALE ESTATES INC.		
		REMARKS: RE: SC338349				
SC422721	2006/03/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1540090 ONTARIO INC.		
		REMARKS: RE: SC349229				
SC422727	2006/03/28	DISCH OF CHARGE		*** COMPLETELY DELETED *** MCCLUSKEY, GARRY MCCLUSKEY, GLORIA ANN		
		REMARKS: RE: SC234295				
SC423093	2006/03/29	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** RICHARDSON FOSTER LTD.		
SC425670	2006/04/06	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** FLYNN LANDSCAPE DESIGN INC.		
SC427291	2006/04/12	DLS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	RICHARDSON FOSTER LTD.	
		REMARKS: RE: SC423093				
SC427523	2006/04/13	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** RUMBALL EXCAVATION & HAULAGE INC.		
SC437134	2006/05/15	CERTIFICATE		*** COMPLETELY DELETED *** RUMBALL EXCAVATION & HAULAGE INC.	SUPERIOR COURT OF JUSTICE	
		REMARKS: SC427523				
SC439517	2006/05/23	APL (GENERAL)		*** COMPLETELY DELETED *** FLYNN LANDSCAPE DESIGN INC.		
		REMARKS: - SC425670 - CERTIFICATE OF ACTION				
SC442291	2006/05/31	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** RICHARDSON FOSTER LTD.		

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58991-1689 (L/T)

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

REG. NOM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHRD
SC458839	2006/07/19	CERTIFICATE		*** COMPLETELY DELETED *** RICHARDSON FOSTER LTD.		
		REMARKS: SC442291				
SC491840	2006/10/25	CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	MODEL, KARL HOAR, ALBERT	
SC510541	2007/01/03	TRANSFER EASEMENT	\$2	1615263 ONTARIO INC.	THE CORPORATION OF THE CITY OF BARRIE	C
SC542506	2007/05/11	NOTICE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	C-1 HOLDINGS INC.	
		REMARKS: EXTENDING SC407698				
SC542507	2007/05/11	NOTICE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.	SORA DEVELOPMENTS CORP.	
		REMARKS: AMENDING SC311591				
SC542526	2007/05/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	RICHARDSON FOSTER LTD.	
		REMARKS: RE: SC442291				
SC542530	2007/05/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** MODEL, KARL HOAR, ALBERT		
		REMARKS: RE: SC491840				
SC542584	2007/05/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	FLYNN LANDSCAPE DESIGN INC.	
		REMARKS: RE: SC425670				
SC542597	2007/05/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	RUMBALL EXCAVATION & HAULAGE INC.	
		REMARKS: RE: SC427523				
SC542787	2007/05/11	TRANSFER	\$10,800,000	1615263 ONTARIO INC.	2131059 ONTARIO LIMITED	C
SC542788	2007/05/11	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	1615263 ONTARIO INC.	
SC564854	2007/07/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** JOSAM CONSTRUCTION & ENGINEERING SERVICES LTD.		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: RE: SC740878						
SC672313	2008/08/13	NOTICE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	FIRM CAPITAL MORTGAGE FUND INC.	
REMARKS: SC421266						
SC736194	2009/05/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1615263 ONTARIO INC.		
REMARKS: RE: SC642788						
SC749257	2009/07/09	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	TRISAN EQUITABLE CORPORATION	
SC761395	2009/08/25	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	MONEYLOGIX GROUP, INC.	
SC761396	2009/08/25	NOTICE		MONEYLOGIX GROUP, INC.		
SC772733	2009/10/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** TRISAN EQUITABLE CORPORATION		C
REMARKS: RE: SC749257						
SC772741	2009/10/07	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	2219657 ONTARIO INC.	
SC772777	2009/10/08	POSTPONEMENT		*** COMPLETELY DELETED *** MONEYLOGIX GROUP, INC.	2219657 ONTARIO INC.	
REMARKS: SC761395 TO SC772741						
SC772778	2009/10/08	POSTPONEMENT		*** COMPLETELY DELETED *** MONEYLOGIX GROUP, INC.	2219657 ONTARIO INC.	
REMARKS: SC761396 TO SC772741						
SC772779	2009/10/08	NOTICE		*** COMPLETELY DELETED *** 2219657 ONTARIO INC.		
REMARKS: SC761395, SC761396						
SC782460	2009/11/17	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** MONEYLOGIX GROUP, INC.	2223715 ONTARIO INC.	
REMARKS: SC761395						
SC782464	2009/11/17	NOTICE		*** COMPLETELY DELETED ***		

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REG. NDR.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC782465	2009/11/17	CHARGE		2223715 ONTARIO INC. *** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	2041054 ONTARIO LIMITED	
SC782481	2009/11/17	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	MONEYLOGIX GROUP, INC.	
SC792792	2009/12/31	CHARGE	\$17,712,500	2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC.	C
SC792819	2009/12/31	CHARGE	\$2,500,000	2131059 ONTARIO LIMITED	SUSSMAN MORTGAGE FUNDING INC.	C
SC793282	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** MONEYLOGIX GROUP, INC.		
		REMARKS: SC782481.				
SC793283	2010/01/05	POSTPONEMENT		MONEYLOGIX GROUP, INC.	MARSHALLZEHR GROUP INC.	C
		REMARKS: SC761395 TO SC792792				
SC793290	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** FIEM CAPITAL MORTGAGE FUND INC.		
		REMARKS: SC421266.				
SC793312	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** SORA DEVELOPMENTS CORP.		
		REMARKS: SC313591.				
SC793314	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** C-1 HOLDINGS INC.		
		REMARKS: SC407698.				
SC793348	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2219657 ONTARIO INC.		
		REMARKS: SC772741.				
SC793349	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2223715 ONTARIO INC.		
		REMARKS: SC761395.				
SC793350	2010/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2041054 ONTARIO LIMITED		
		REMARKS: SC782465.				

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REG. NDM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHGD
SC793369	2010/01/05	POSTPONEMENT REMARKS: SC782464 TO SC792792		*** COMPLETELY DELETED *** 2223715 ONTARIO INC.	MARSHALLZEHR GROUP INC.	
SC793383	2010/01/05	POSTPONEMENT REMARKS: SC761396 TO SC792819		MONEYLOGIX GROUP, INC.	SUSSMAN MORTGAGE FUNDING INC.	C
SC793384	2010/01/05	POSTPONEMENT REMARKS: SC772779 TO SC792819		*** COMPLETELY DELETED *** 2219657 ONTARIO INC.	SUSSMAN MORTGAGE FUNDING INC.	
SC793385	2010/01/05	POSTPONEMENT REMARKS: SC782464 TO SC792819		*** COMPLETELY DELETED *** 2223715 ONTARIO INC.	SUSSMAN MORTGAGE FUNDING INC.	
SC805443	2010/03/09	TRANSFER OF CHARGE REMARKS: SC792819.		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST	C
SC814585	2010/04/23	TRANSFER OF CHARGE REMARKS: SC792819.		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
SC825339	2010/06/03	CHARGE		*** COMPLETELY DELETED *** 2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC.	
SC827230	2010/06/11	APL (GENERAL) REMARKS: DELETING SC782464		*** COMPLETELY DELETED *** 2223715 ONTARIO INC.		
SC827231	2010/06/11	APL (GENERAL) REMARKS: DELETING SC772779		*** COMPLETELY DELETED *** 2219657 ONTARIO INC.		
SC827403	2010/06/11	NOTICE REMARKS: SC825338		*** COMPLETELY DELETED *** MARSHALLZEHR GROUP INC.		
SC840087	2010/07/26	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC844439	2010/08/12	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC854046	2010/09/23	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC860498	2010/10/21	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** TRON ASSOCIATES INC.		
REMARKS: SC792819						
SC860639	2010/10/22	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC865934	2010/11/16	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC868124	2010/11/25	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** TRON ASSOCIATES INC.		
REMARKS: SC860498						
SC872707	2010/12/15	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC878971	2011/01/20	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
REMARKS: SC792819						
SC883966	2011/02/17	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST	C
REMARKS: SC792819						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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LAND
REGISTRY
OFFICE #51

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 9 OF 13
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ON 2015/04/27 AT 13:07:54

58091-1689 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC805810	2011/02/28 REMARKS: SC792819	TRANSFER OF CHARGE SC792819		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST	C
SC893567	2011/04/06 REMARKS: SC792819	TRANSFER OF CHARGE SC792819		B2B TRUST	SUSSMAN MORTGAGE FUNDING INC.	C
SC893651	2011/04/07 REMARKS: SC792819	TRANSFER OF CHARGE SC792819		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
SC896177	2011/04/20 REMARKS: SC792819	TRANSFER OF CHARGE SC792819		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
SC902547	2011/05/19 REMARKS: SC792819	TRANSFER OF CHARGE SC792819		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST B2B TRUST	C
SC908798	2011/06/15 REMARKS: SC792819	TRANSFER OF CHARGE SC792819		B2B TRUST	SUSSMAN MORTGAGE FUNDING INC.	C
SC908799	2011/06/15 REMARKS: SC792819	TRANSFER OF CHARGE SC792819		B2B TRUST	SUSSMAN MORTGAGE FUNDING INC.	C
SC909986	2011/06/21 REMARKS: SC792819	TRANSFER OF CHARGE SC792819		SUSSMAN MORTGAGE FUNDING INC.	BLML DEVELOPMENTS INC.	C
SC909987	2011/06/21 REMARKS: SC792819	TRANSFER OF CHARGE SC792819		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST	C
SC917770	2011/07/21 REMARKS: SC792819	TRANSFER OF CHARGE SC792819		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST B2B TRUST	C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

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58091-1689 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
SC929834	2011/09/08	CHARGE	\$1,500,000	2131059 ONTARIO LIMITED	626353 ONTARIO LIMITED NORI CORP. VAUGHANCORD HOLDINGS INC. 778788 ONTARIO LIMITED CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP SUSSMAN MORTGAGE FUNDING INC.	C
SC959176	2012/01/24	TRANSFER OF CHARGE		B2B TRUST B2B TRUST	B2B TRUST B2B TRUST	C
SC974756	2012/04/17	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.		C
SC980262	2012/05/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** MARSHALLZEHR GROUP INC.		C
SC986599	2012/06/06	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST	C
SC988054	2012/06/13	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUST	C
SC1014445	2012/09/27	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B BANK B2B BANK B2B BANK B2B BANK	C
SC1026178	2012/11/23	APL (GENERAL)		*** COMPLETELY DELETED *** MARSHALLZEHR GROUP INC.		C
SC1028117	2012/11/30	TRANSFER OF CHARGE		MARSHALLZEHR GROUP INC.	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
SC1028137	2012/11/30	NOTICE	\$2	2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C

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58091-1689 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC1028138	2012/11/30	NO ASSIGN RENT GEN REMARKS: SC792792		2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
SC1028161	2012/11/30	POSTPONEMENT REMARKS: SC792819 TO SC792792		SUSSMAN MORTGAGE FUNDING INC. B2B TRUST BLML DEVELOPMENTS INC. B2B BANK	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
SC1028162	2012/11/30	POSTPONEMENT REMARKS: SC929834 TO SC792792		626353 ONTARIO LIMITED NORI CORP. VAUGHANCORD HOLDINGS INC. 778788 ONTARIO LIMITED CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
SC1028163	2012/11/30	CHARGE	\$4,712,500	2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC.	C
SC1028178	2012/11/30	POSTPONEMENT REMARKS: SC929834 TO SC1028163		626353 ONTARIO LIMITED NORI CORP. VAUGHANCORD HOLDINGS INC. 778788 ONTARIO LIMITED CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP	MARSHALLZEHR GROUP INC.	C
SC1028959	2012/12/04	TRANSFER OF CHARGE REMARKS: SC792819.		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUSTICO	C
SC1045414	2013/03/14	NOTICE REMARKS: AMENDING SC792819	\$2	2131059 ONTARIO LIMITED	SUSSMAN MORTGAGE FUNDING INC. B2B TRUST BLML DEVELOPMENTS INC. B2B BANK B2B TRUSTICO	C
SC1045415	2013/03/14	NOTICE REMARKS: SC792819 - NOTICE OF INTEREST	\$2	SUSSMAN MORTGAGE FUNDING INC. B2B TRUST BLML DEVELOPMENTS INC. B2B BANK		C

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58091-1689 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CEKD
SCI1046529	2013/03/21	NOTICE		SUSSMAN MORTGAGE FUNDING INC. B2B TRUST BML DEVELOPMENTS INC. B2B BANK		C
SCI1050104	2013/04/10	TRANSFER OF CHARGE		SUSSMAN MORTGAGE FUNDING INC.	B2B TRUSTCO B2B TRUSTCO B2B TRUSTCO	C
		REMARKS: SC792819.				
SCI1080430	2013/08/27	TRANSFER OF CHARGE		BML DEVELOPMENTS INC.	SUSSMAN MORTGAGE FUNDING INC.	C
		REMARKS: SC792819 & SC1050104 SC792819				
SCI1080949	2013/08/29	TRANSFER OF CHARGE		B2B TRUST B2B BANK B2B TRUSTCO B2B TRUST B2B BANK B2B TRUSTCO B2B TRUST B2B BANK B2B TRUSTCO	COMMUNITY TRUST COMPANY COMMUNITY TRUST COMPANY COMMUNITY TRUST COMPANY COMMUNITY TRUST COMPANY	C
		REMARKS: SC792819				
SCI1083165	2013/09/06	NOTICE		2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
		REMARKS: SC792792				
SCI1083192	2013/09/06	POSTPONEMENT		SUSSMAN MORTGAGE FUNDING INC. COMMUNITY TRUST COMPANY	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
		REMARKS: SC792819 TO SCI1083185				
SCI1083201	2013/09/06	POSTPONEMENT		MARSHALLZEHR GROUP INC.	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C
		REMARKS: SC1028163 TO SCI1083185				
SCI1083204	2013/09/06	POSTPONEMENT		626353 ONTARIO LIMITED NORI CORP.	MARSHALLZEHR GROUP INC. THE BANK OF NOVA SCOTIA TRUST COMPANY	C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 13 OF 13
PREPARED FOR DePinto
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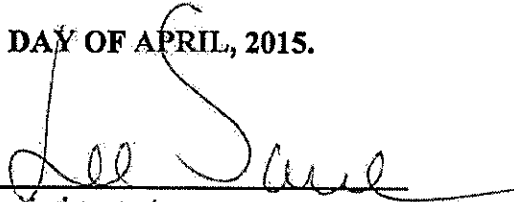
58091-1689 (LT)

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

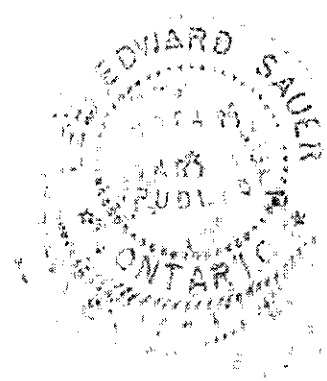
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SCI083208	2013/09/06	CHARGE REMARKS: SC929834 TO SCI083185	\$1,100,000	VAUGHANCORD HOLDINGS INC. 778788 ONTARIO LIMITED CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP	MARSHALLZEHR GROUP INC.	C
SCI083211	2013/09/06	NO ASSIGN RENT GEN REMARKS: SCI083208		2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC.	C
SCI083215	2013/09/06	POSTPONEMENT REMARKS: SCI029163 TO SCI083208		MARSHALLZEHR GROUP INC.	MARSHALLZEHR GROUP INC.	C
SCI083226	2013/09/06	POSTPONEMENT		626353 ONTARIO LIMITED NORI CORP. VAUGHANCORD HOLDINGS INC. 778788 ONTARIO LIMITED CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP	MARSHALLZEHR GROUP INC.	C
SCI083227	2013/09/06	NOTICE REMARKS: SCI029163		2131059 ONTARIO LIMITED	MARSHALLZEHR GROUP INC.	C
SCI083229	2013/09/06	POSTPONEMENT		626353 ONTARIO LIMITED NORI CORP. VAUGHANCORD HOLDINGS INC. 778788 ONTARIO LIMITED CORNER WORLD DEVELOPMENTS INC. BAYWOOD HOMES PARTNERSHIP	MARSHALLZEHR GROUP INC.	C
SCI117923	2014/03/03	NOTICE		2131059 ONTARIO LIMITED		C

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THIS IS EXHIBIT "L" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29th
DAY OF APRIL, 2015.



A Commissioner etc.



REGISTERED

LRO # 51 Charge/Mortgage

Received as SC792819 on 2009 12-31 - at 12:26

162

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

yyyy mm dd Page 1 of 4

Properties

<i>PIN</i>	58091 - 1689 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT S1/2 LT 16 CON 12 INNISFIL PT 1 51R22928 EXCEPT PT 4 51R32586; S/T EASE OVER PTS 1, 2 & 3 51R32586 AS IN SC212816, S/T EASE IN GROSS OVER PT 6 ON PL 51R34165 AS IN SC510541; BARRIE		
<i>Address</i>	BARRIE		
<i>PIN</i>	58091 - 0288 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PCL 16-2 SEC 51INN12; PT S 1/2 OF LT 16 CON 12 INNISFIL PT 1 51R22937, S/T EASE IN GROSS OVER PT 6 PL 51R34165 AS IN SC510541; BARRIE		
<i>Address</i>	BARRIE		

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 2131059 ONTARIO LIMITED
Address for Service 1140 Sheppard Avenue West, #12
Toronto, ON M3K 2A2

I, Frank Canonaco, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)

	<i>Capacity</i>	<i>Share</i>
<i>Name</i>	SUSSMAN MORTGAGE FUNDING INC.	
<i>Address for Service</i>	c/o 129 Dunlop Street East Barrie, ON L4M 1A6	

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$2,500,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	2010/12/15		
<i>Interest Rate</i>	16.0%		
<i>Payments</i>	\$33,333.33		
<i>Interest Adjustment Date</i>	2009 12 15		
<i>Payment Date</i>	Interest Only on the 15th day of each month		
<i>First Payment Date</i>	2010 01 15		
<i>Last Payment Date</i>	2010 12 15		
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>	See Schedule		

Additional Provisions

See Schedules

Signed By

Sheila Anne Niemeyer

107 Collier Street PO Box 722
Barrie
L4M 4Y5acting for Chargor Signed 2009 12 31
(s)

Tel 705-728-4521

Fax 7057288744

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

LRO # 51 Charge/Mortgage
The applicant(s) hereby applies to the Land Registrar.

153
Received as SC792819 on 2009 12 31- at 12:26
yyyy mm dd Page 2 of 4

Submitted By

COWAN & CARTER

107 Collier Street PO Box 722
Barrie
L4M 4Y5

2009 12 31

Tel 705-728-4521
Fax 7057288744

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

File Number

Chargor Client File Number : 09-714
Chargee Client File Number : 09-714; B-82

ADDITIONAL PROVISIONS

PROVIDED and it is hereby agreed, that the Mortgagor, when not in default hereunder, shall have the privilege of prepaying the whole or any part of the outstanding principal on any payment date without notice or bonus.

PROVIDED that in the event of the Mortgagor selling, conveying or transferring title to the properties herein mortgaged, to a purchaser, grantee or transferee, all monies hereby secured shall forthwith become due and payable, at the option of the Mortgagee.

PROVIDED that the Mortgagor agrees to pay the sum of \$250.00 for each statement requested plus legal fees and expenses of the Mortgagee's solicitor for each discharge.

IT IS EXPRESSLY AGREED and understood by the Mortgagor that any service charge or other charges assessed by any financial institution of the Mortgagee, for any cheques returned to the Mortgagee for any reason including insufficient funds, or for any cheques not deposited for any reason on the monthly due date, will be the responsibility of the Mortgagor and that as liquidated damages, and not as penalty; for the said charges, handling costs, and Mortgagee's time and expenses, the Mortgagor shall pay to the Mortgagee the sum of **SEVENTY-FIVE (\$75.00) DOLLARS**, which sum may be added to the principal amount of the mortgage at the option of the Mortgagee.

IT IS EXPRESSLY AGREED and understood by the Mortgagor that, in the event that any payment should not made any payment on account of this mortgage within 48 hours of its due date, the Mortgagor will pay to the Mortgagee, as liquidated damages and not as a penalty for the said charges, handling costs and Mortgagee's time and expenses, the sum of **SEVENTY-FIVE (\$75.00) DOLLARS**, which sum may be added to the principal amount of the mortgage at the option of the Mortgagee.

INTEREST is calculated, compounded and payable Monthly.

WHATEVER the purpose of this mortgage, the Chargee may retain funds from any advance or advances until the Chargee is completely satisfied that the holdback provisions of the Construction Lien Act, R.S.O. 1990, c.C.30 (as amended or replaced) have been complied with. The Chorgor authorizes the Chargee to give information about the mortgage to anyone who claims a construction lien on the subject property.

Guarantor

Address for Service

Frank Canonaco

116 Lord Seaton Road
North York, ON M2P 1K9

Ralph Canonaco

29 Urbandale Avenue
North York, ON M2M 2G9

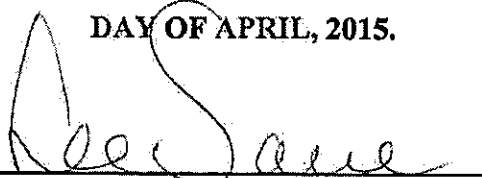
Tony Canonaco

176 Norton Avenue
North York, ON M2N4A9

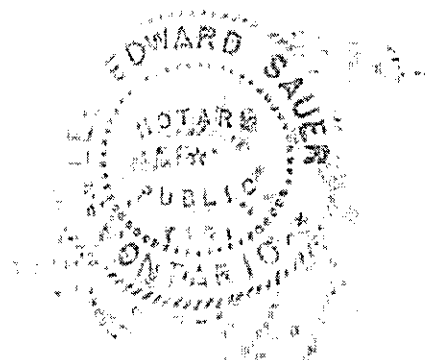
Bayshore Homes Partnership

1140 Avenue West, #12
Toronto, ON M3K 2A2

**THIS IS EXHIBIT "M" TO
THE AFFIDAVIT OF GREGORY ZEHR
SWORN BEFORE ME THIS 29th
DAY OF APRIL, 2015.**



A Commissioner etc.



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

Page 1 of 5

Properties

<i>PIN</i>	58091 - 1689 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT S1/2 LT 16 CON 12 INNISFIL PT 1 51R22928 EXCEPT PT 4 51R32586; S/T EASE OVER PTS 1, 2 & 3 51R32586 AS IN SC212816, S/T EASE IN GROSS OVER PT 8 ON PL 51R34185 AS IN SC510541; BARRIE		
<i>Address</i>	BARRIE		
<i>PIN</i>	58091 - 0288 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PCL 16-2 SEC 51INN12; PT S 1/2 OF LT 16 CON 12 INNISFIL PT 1 51R22937, S/T EASE IN GROSS OVER PT 8 PL 51R34185 AS IN SC510541; BARRIE		
<i>Address</i>	BARRIE		

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 2131059 ONTARIO LIMITED
Address for Service 1140 Sheppard Avenue West #12
 Toronto, Ontario M3K 2A2

I, Frank Canonaco, 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 MARSHALLZEHR GROUP INC.
Address for Service 465 Phillip Street #206
 Waterloo, Ontario N2L 6C7

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$ 1,100,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	SEE SCHEDULE		
<i>Balance Due Date</i>	SEE SCHEDULE		
<i>Interest Rate</i>	SEE SCHEDULE		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	SEE SCHEDULE		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

The applicant(s) hereby applies to the Land Registrar

Signed By

Cornelia Christine Kreller 300 Victoria St. N. acting for Signed 2013 09 06
Kitchener
N2H 6R9 Chargor(s)

Tel 519-576-0460
Fax 519-576-3234

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

Submitted By

SORBARA, SCHUMACHER, MCCANN LLP 300 Victoria St. N. 2013 09 06
Kitchener
N2H 6R9

Tel 519-576-0460
Fax 519-576-3234

Fees/Taxes/Payment

Statutory Registration Fee \$60 00
Total Paid \$60 00

File Number

Chargor Client File Number : 67760

SCHEDULE "A"

1. All interest hereunder shall accrue on any outstanding principal balance both before and after default as well as before and after maturity and judgment all in accordance with the Mortgage Commitment entered into between the Chargor and MarshallZehr Group Inc. and dated June 14th, 2013, as amended (the "Commitment").
2. The interest rate under this Charge for the first six (6) months of the Term shall be twenty percent (20.00%) per annum and for the last month of the Term and thereafter twenty-five percent (25%) per annum.
3. Interest shall accrue on the outstanding principal balance from time to time as follows:
 - a) fourteen (14%) percent of the total interest payable per annum shall be calculated, compounded and payable monthly, not in advance, following the date of the initial advance of funds (the "Interest Adjustment Date") for the first six (6) months of the Term;
 - b) six (6%) percent per annum, of the total interest payable shall be calculated and compounded semi-annually, not in advance, from the Interest Adjustment Date with all interest for the first six (6) months of the Term at such rate accruing and becoming due and payable on the Maturity Date;
 - c) the seventh (7th) month of the Term shall be the beginning of the wrap up periods and interest shall be charged on the outstanding principal balance at the rate of twenty-five (25%) percent per annum, calculated compounded and payable monthly in the seventh (7th) month of the Term and there-after.

Included in the principal amount of the Charge is an interest reserve as provided for in the Commitment (the "Interest Reserve"). The Interest Reserve shall be deducted from the first advance as provided for in the Commitment and held in trust by MarshallZehr Group Inc. and applied against all interest payments accruing due under this Charge from time to time. In the event of a default under this Charge that gives the right of the Chargee to demand payment of all or part of the principal amount of this Charge, the Chargee shall have the right to apply any remaining portion of the Interest Reserve, if any, as against principal, interest or costs at its sole discretion.

4. The Chargee shall make advances to the Chargor under the Charge only in accordance with the Commitment.
5. The principal amount of this Charge shall mature and become due and payable seven (7) months (the "Term") following the Interest Adjustment Date (the "Maturity Date").
6. In addition to the interest payments provided for herein, the Chargor shall be obligated to pay a contingency/success fee of five (5%) percent of the principal amount of this Charge upon the Maturity Date or prepayment in whole. Such amount shall be added to the principal amount of this Charge and be so secured by this Charge. In the event that the Chargor repays the entire sums of money due to MarshallZehr Group Inc. under this and every other mortgage commitment pertaining to the Property between the Chargor and MarshallZehr Group Inc. on or before August 5, 2013, the said contingency/success fee shall be reduced to one and one quarter (1.25%) percent.
7. The principal amount of this Charge shall be completely open for prepayment in whole or in part, without notice, bonus or penalty, provided that the Chargor shall be obligated to pay interest on the full amount of the principal set out herein to at least September 5, 2013 regardless of any prepayment being made prior to September 5, 2013.
8. This Charge shall be subject to the terms and conditions of the Commitment and in the event of any conflict between the terms hereof and those contained in the Commitment, the Commitment shall take precedence and prevail. The Commitment shall not be deemed to merge with the terms of this Charge but shall survive the delivery and registration of this Charge and any default under the terms of the Commitment shall be and be deemed a default under the terms of this Charge and a default under the terms of this Charge shall be deemed a default under the terms of the Commitment.
9. In the event of a default by the Chargor or any Guarantor in their respective obligations under the Commitment, this Charge or any other security issued in connection with the Commitment to the Chargee then, the Chargee shall, notwithstanding anything

contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements, an administration and management fee in the amount of \$5,000.00 for each month or part thereof that the Chargor and/or any Guarantor is in default of its obligations under the Charge, Commitment or other security issued in connection with the Commitment. The said sum or sums are agreed to be liquidated damages in respect of the Chargee's administration and management costs and are not intended nor shall they be construed as a penalty. All such sums payable to the Chargee shall be added to and deemed to be outstanding principal and interest shall accrue thereon.

9. The Chargor covenants as follows and a breach of any covenant shall be a default under the terms of the Commitment and this Charge:
 - (a) The Chargor shall not assign, transfer or otherwise dispose of the Commitment, the Property and/or any security given pursuant to the Commitment including but not limited to this Charge without the Chargee's prior written consent. The Commitment, this Charge and any other security held by the Chargee may be assigned by the Chargee in whole or in part to another Chargee(s). Except as hereinafter provided, the Chargor consents to the disclosure by the Chargee to any such prospective assignee or participant of all information and documents regarding the Property and/or Chargor within the possession or control of the Chargee.
 - (b) Without the Chargee's prior written consent having first been obtained, the Chargor shall not mortgage, charge, sell, transfer or convey the Property or its rights therein. In the event of a breach by the Chargor of this covenant then, at the sole option of the Chargee, all monies outstanding, together with all accrued and unpaid interest thereon and any other amounts due under the Commitment, this Charge or any other security held by the Chargee, shall become due and payable.
10. The Chargor will not commit any waste on the lands.
11. Upon any default, other than a payment default, under the Commitment, this Charge or any other Security issued to the Chargee, the Chargee shall provide the Chargor with a thirty (30) day period (the "Cure Period") to cure such default, during which the Chargee shall have the opportunity to correct all causes of default. If after the Cure Period the Chargor has not cured the default(s), the Chargee may declare any or all of the obligations under the Commitment to be immediately due and payable and may proceed to realize the security and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers (hereinafter called "Receiver" or "Receivers") of the subject matter of such security or any part thereof and such Receiver or Receivers may be any person or persons, whether an officer or officers or employee or employees of the Chargee or not, and the Chargee may remove any Receiver or Receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a Receiver or Receivers or for sale of the Property or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Chargor. Any such Receiver or Receivers so appointed shall have power to take possession of the Property or any part thereof and to carry on the business of the Chargor, and to borrow money required for the maintenance, preservation or protection of the Property or any part thereof, and to further charge the Property in priority to the security constituted by the Commitment as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Property on such terms and conditions and in such manner as he shall determine. In exercising any powers, any such Receiver or Receivers shall act as agent or agents for the Chargor and the Chargee shall not be responsible for his or their actions.

In addition, the Chargee or Receiver or Receivers may enter upon the applicable premises and lease or sell the whole or any part or parts of the Property. The Chargor agrees that it will be commercially reasonable to sell such part of the Property:

- (a) as a whole or in various units;
- (b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and

- (c) by private sale after the receipt by the Chargee of at least two offers from prospective arms-length purchasers.

Notwithstanding the above, the Chargee or Receiver or Receivers must obtain a minimum of two (2) third party appraisals of the Property and use all commercially reasonable efforts to sell the Property for the full market value.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Chargee in its sole discretion may seem advantageous and such sale may take place whether or not the Chargee has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Chargee shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this schedule includes a receiver and manager.

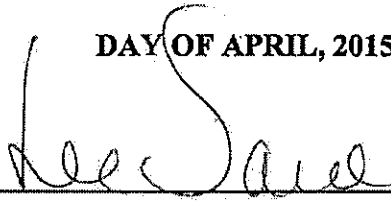
- 12. (a) Any Receiver shall have all of the powers of the Chargee set out in this Charge and, in addition, shall have the following powers:
 - (i) to carry on the business of the Chargor and to enter into any compromise or arrangement on behalf of the Chargor; and
 - (ii) with the prior written consent of the Chargee to borrow money in its name or in the Chargor's name, for the purpose of carrying on the business of the Chargor and for the preservation and realization of the undertaking, property and assets of the Chargor including, without limitation, the right to pay persons having prior charges or encumbrances on the properties which the Chargee may hold charges or encumbrances, with any amount so borrowed and any interest thereon to be a charge upon the mortgaged property in priority to this Charge;
- (b) Any Receiver appointed pursuant to the provisions hereof shall be deemed to be an agent of the Chargor for the purposes of:
 - (i) carrying on and managing the business and affairs of the Chargor, and
 - (ii) establishing liability for all of the acts or omissions of the Receiver while acting in any capacity hereunder and the Chargee shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Chargor irrevocably authorizes the Chargee to give instructions to the Receiver relating to the performance of its duties as set out herein.

THIS IS EXHIBIT "N" TO
THE AFFIDAVIT OF GREGORY ZEHR

SWORN BEFORE ME THIS ZGH

DAY OF APRIL, 2015.



A Commissioner etc.



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

Properties

PIN 58091 - 1689 LT *Interest/Estate* Fee Simple
Description PT S1/2 LT 16 CON 12 INNISFIL PT 1 51R22928 EXCEPT PT 4 51R32586; S/T EASE
OVER PTS 1, 2 & 3 51R32586 AS IN SC212816, S/T EASE IN GROSS OVER PT 6 ON
PL 51R34165 AS IN SC510541; BARRIE
Address BARRIE

PIN 58091 - 0288 LT *Interest/Estate* Fee Simple
Description PCL 16-2 SEC 51INN12; PT S 1/2 OF LT 16 CON 12 INNISFIL PT 1 51R22937 , S/T
EASE IN GROSS OVER PT 6 PL 51R34165 AS IN SC510541; BARRIE
Address BARRIE

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 2131059 ONTARIO LIMITED
Address for Service 1140 Sheppard Avenue West #12
Toronto, Ontario, M3K 2A2

I, Frank Canonaco, 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 MARSHALLZEHR GROUP INC.
Address for Service 465 Phillip Street #206
Waterloo, Ontario, N2L 6C7

Statements

Schedule: See Schedules

Provisions

Principal \$4,712,500.00 *Currency* CDN
Calculation Period See Schedule
Balance Due Date See Schedule
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date See Schedule
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor

Signed By

Charlotte Ann Langill 300 Victoria St. N. acting for Chargor Signed 2012 11 09
Kitchener (\$)
N2H 6R9

Tel 5195760460
Fax 5195763234

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

LRO # 51 Charge/Mortgage

Registered as SC1028163 on 2012 11 30 at 15:29
yyyy mm dd Page 2 of 5

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

Submitted By

SORBARA, SCHUMACHER, MCCANN LLP 300 Victoria St. N. 2012 11 30
Kitchener
N2H 6R9

Tel 5195760460
Fax 5195763234

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

File Number

Chargor Client File Number : 65369
Chargee Client File Number : 65369

SCHEDULE "A"

1. All interest hereunder shall accrue on any outstanding principal balance both before and after default as well as before and after maturity and judgment all in accordance with the Mortgage Commitment entered into between the Chargor and MarshallZehr Group Inc. and dated June 28th, 2012, as amended (the "Commitment").
2. The interest rate under this Charge for the first eleven (11) months of the Term shall be eleven percent (11.00%) per annum and for the last month of the Term and thereafter fifteen percent (15%) per annum.
3. Interest shall accrue on the outstanding principal balance from time to time at the rate set out in the Commitment and shall be calculated, compounded and payable monthly following the date of the initial advance of funds (the "Interest Adjustment Date"). Included in the principal amount of the Charge is an interest reserve as provided for in the Commitment (the "Interest Reserve"). The Interest Reserve shall be deducted from the first advance as provided for in the Commitment and held in trust by MarshallZehr Group Inc. and applied against all interest payments accruing due under this Charge from time to time. In the event of a default under this Charge that gives the right of the Chargee to demand payment of all or part of the principal amount of this Charge, the Chargee shall have the right to apply any remaining portion of the Interest Reserve, if any, as against principal, interest or costs at its sole discretion.
4. The Chargee shall make advances to the Chargor under the Charge only in accordance with the Commitment.
5. The Principal amount of this Charge shall mature and become due and payable twelve (12) months following the Interest Adjustment Date (the "Maturity Date")
6. The principal amount of this Charge shall be completely open for prepayment in whole or in part, without notice, bonus or penalty.
7. This Charge shall be subject to the terms and conditions of the Commitment and in the event of any conflict between the terms hereof and those contained in the Commitment, the Commitment shall take precedence and prevail. The Commitment shall not be deemed to merge with the terms of this Charge but shall survive the delivery and registration of this Charge and any default under the terms of the Commitment shall be and be deemed a default under the terms of this Charge and a default under the terms of this Charge shall be deemed a default under the terms of the Commitment.
8. In the event of a default by the Chargor or any Guarantor in their respective obligations under the Commitment, this Charge or any other security issued in connection with the Commitment to the Chargee then, the Chargee shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements, an administration and management fee in the amount of \$5,000.00 for each month or part thereof that the Chargor and/or any Guarantor is in default of its obligations under the Charge, Commitment or other security issued in connection with the Commitment. The said sum or sums are agreed to be liquidated damages in respect of the Chargee's administration and management costs and are not intended nor shall they be construed as a penalty. All such sums payable to the Chargee shall be added to and deemed to be outstanding principal and interest shall accrue thereon.
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 - (b) Without the Chargee's prior written consent having first been obtained, the Chargor

shall not mortgage, charge, sell, transfer or convey the Property or its rights therein. In the event of a breach by the Chargor of this covenant then, at the sole option of the Chargee, all monies outstanding, together with all accrued and unpaid interest thereon and any other amounts due under the Commitment, this Charge or any other security held by the Chargee, shall become due and payable.

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12. (a) Any Receiver shall have all of the powers of the Chargee set out in this Charge and, in addition, shall have the following powers:
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- (ii) with the prior written consent of the Chargee to borrow money in its name or in the Chargor's name, for the purpose of carrying on the business of the Chargor and for the preservation and realization of the undertaking, property and assets of the Chargor including, without limitation, the right to pay persons having prior charges or encumbrances on the properties which the Chargee may hold charges or encumbrances, with any amount so borrowed and any interest thereon to be a charge upon the mortgaged property in priority to this Charge;
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 - (i) carrying on and managing the business and affairs of the Chargor, and
 - (ii) establishing liability for all of the acts or omissions of the Receiver while acting in any capacity hereunder and the Chargee shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Chargor irrevocably authorizes the Chargee to give instructions to the Receiver relating to the performance of its duties as set out herein.