

Court File No. CV-23-00700695-00CL

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

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

LA PUE INTERNATIONAL INC.

Respondent

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

**RESPONDING MOTION RECORD
VOLUME II
(Motion: Returnable March 7, 2025)**

**BISCEGLIA & ASSOCIATES
Professional Corporation**
Barristers-at-Law
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Lawyers for the Lien Claimant,
Buttcon Limited

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	2.	Exhibit “2” – Parcel Register 51073-0050 of January 6, 2025 - with deleted instruments together with chart of the registered charges and lien instruments as follows:
	1A.	Claim for Lien – PH104642
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TAB B

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

MARSHALLZEHR GROUP INC.

Applicant

- and -

LA PUE INTERNATIONAL INC.

Respondent

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

AFFIDAVIT OF CECILIA CECE

I, **CECILIA CECE**, of the City of Toronto, Province of Ontario, MAKE OATH AND
SAY:

1. I am a legal assistant with the law firm of Bisceglia & Associates Professional Corporation, the lawyers for the Lien Claimant, Buttcon Limited, ("**Buttcon**"), and as such, I have knowledge, information and belief of the matters hereinafter deposed to. Where information has been obtained from third parties, I state the source of that information and do verily believe it to be true.

2. I am providing this affidavit to provide information to the Court with respect to the property and instruments that were registered with respect to the case of *Ontario Wealth Management Corp. v. 1713515 Ontario Ltd. (2013 CarswellOnt 18879)*, (“**Ontario Wealth Case**”) which is attached to my affidavit as **Exhibit “1”**.

3. The *Ontario Wealth Case* concerns a property with a municipal address of 81 Walton Street, Port Hope, Ontario, and having a legal description as follows:

PIN 51073 – 0050 LT

PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE PTS 1 & 2 39R11490; T/W PH81228; MUNICIPALITY OF PORT HOPE. (“**Property**”)

4. Now shown to me and marked as **Exhibit “2”** to this Affidavit is a copy of a parcel register for the Property dated January 6, 2025, with deleted instruments included (“**Parcel Abstract**”), together with a chart of the registrations which includes the registered charges and lien instruments.

5. The *Ontario Wealth Case* concerns the priority claims of the mortgagee, Ontario Wealth Management Corporation (“**Ontario Wealth**”) and that of the lien claimant, Sica Masonry & General Contracting Ltd. (“**Sica**”).

6. Based on my review of the Parcel Abstract, in the case of Ontario Wealth, this mortgage was registered on November 10, 2008, while the claim for lien of Sica, was registered on

April 8, 2010. Sica's lien also states that the first supply was on January 12, 2009 which was after the registration date of the Ontario Wealth mortgage.

Sworn or Affirmed before me: *(select one):*

in person OR by video conference

by **Cecilia Cece** at the City of Toronto, ,
in the Province of Ontario, before me
in the City of Vaughan, in the Province of Ontario,
on **February 19, 2025**,
in accordance with O. Reg. 431/20,
Administering Oath or Declaration Remotely



Signature of Commissioner
(Fernando Souza, Barrister & Solicitor)



Cecilia Cece

TAB 1

This is **Exhibit “1”** referred to in the affidavit of Cecilia Cece sworn before me in video conference on February 19 , 2025

A handwritten signature in blue ink, consisting of several loops and a horizontal line, positioned below the text.

A Commissioner for Taking Affidavits, etc.
Fernando Souza- Barrister & Solicitor

CITATION: Ontario Wealth Management Corp. v. 1713515 Ontario Ltd.,
2013 ONSC 6503
COBOURG COURT FILE NO.: 87/10
DATE: 20131018

SUPERIOR COURT OF JUSTICE - ONTARIO

In the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, C. B-3, as amended; Section 101 of the *Courts of Justice Act*, R.S.O.
1990 C.C. 43, as amended; and Section 68(1) of the *Construction Lien Act*, R.S.O.
1990, C.30 as amended

BETWEEN:

Ontario Wealth Management Corporation

Applicant

AND:

1713515 Ontario Limited

Respondent

BEFORE: H.K. O'Connell, J.

COUNSEL: Lisa Corne for S.F. Partners, Inc., Receiver

Stephen Bale for the Lien Claimant, Sica Masonry

Amy Lok for Ontario Wealth Management Corporation

HEARD: May 21, 2013

ENDORSEMENT

- [1] This matter was before me on May 21, 2013 at Cobourg. The Receiver, S.F. Partners seeks direction from the court in relation to priority over the remaining funds currently held by the Receiver.
- [2] The Receiver takes the position that Ontario Wealth Management, the mortgagee, hereinafter referred to as Ontario Wealth, has priority.
- [3] Mr. Bale for the Lien claimant, Sica Masonry and General Contracting, hereinafter referred to as Sica, argues that his client has priority.

Overview

- [4] A brief overview will suffice to set out the particulars of the motion. SF Partners was appointed the Receiver and Trustee of 1713515 Ontario Limited, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, section 101 of the *Courts of Justice Act* and section 68(1) of the *Construction Lien Act*.¹
- [5] At the time the Receiver was appointed, 1713515 owned a property in Port Hope called the Walton Hotel. The property was under renovation for use as a boutique hotel. The renovations were not completed. The Receiver did not resume the renovations.
- [6] The Receiver sold the property for \$600,000.00 on May 16, 2012. Prior to the sale, Ontario Wealth held a first mortgage that was registered on November 10, 2008.² That mortgage secured principal financing of \$1.23 million. Ontario Wealth made advances on the mortgage totalling \$1.191 million over the course of 7 payments, commencing in November 2008 and ending in December 2009.
- [7] The initial advance was for \$500,000.00. Of that advance, \$457,117.75 was applied to re-finance a prior first mortgage, held by Crombee Construction Ltd.³
- [8] On April 08, 2010, the Lien claimant Sica registered its construction lien⁴. Sica claims it is owed \$203,655.76; however its priority claim is restricted to \$123,947.04, which represents the deficiencies in the holdbacks required to be retained by the owner, 1723515, and now administered by the Receiver.
- [9] Given the amount that Sica says it is entitled to as a priority, and to minimize the accrual of interest on the mortgage, the Receiver obtained an order authorizing it to distribute a portion of the sales proceeds in the amount of \$255,000 to Ontario Wealth.⁵ Sufficient funds are being held by the Receiver to protect the interest of Sica, pending determination of this motion before me.

Position of the Receiver

- [10] Ms. Corne for the Receiver argues that the legal opinion⁶ that it has obtained in relation to its position that the initial advance under the mortgage attributable to the repaid mortgage together with interest has priority over Sica's claim.

¹ Appointment Order, September 01, 2010.

² See Tabs L and M of Motion Record with respect to Ontario Wealth's mortgage advance.

³ Motion Record, Appendix Q.

⁴ Motion Record, Appendix X.

⁵ Motion Record, Appendix G.

⁶ Motion Record, Appendix J.

[11] Ms. Corne references the following sections of the *Construction Lien Act* (CLA): sections 78.(1), (2) and (3) and section 22.(1)

[12] Section 78 of the CLA defines an “improvement.” The Receiver says that improvement relates to a specific contract, as opposed to a specific project. Counsel references *Boehmers vs. 794561 Ontario Inc.*⁷, where Killeen J. at paragraph 27 noted:

The term improvement is meant to be a term of art under this definition. It is the project designed and to be undertaken as between the owner and general contractor.... Only intended to deal with and control the general contract and not the subcontract.

[13] Counsel submits that this interpretation is supported by the decision in *Yale Developments Corp. vs. A.L.H. Construction Ltd.*, 1973 CarswellAlta 131. In that case, the Alberta Court of Appeal held that a lienholder’s right to recover is limited to the holdback on a specific contract under which he is working.

[14] This reasoning was likewise followed in two other cases cited from Ontario⁸, where the courts held that a lien claimant is entitled to priority only to the extent of a deficiency in the holdback required to be retained by an owner on a specific contract under which they were retained.

[15] In addition, the Receiver submits that under section 78(2) of the CLA, Sica can only obtain priority over the Ontario Wealth mortgage if the advances fall within this section. In *Royal Bank of Canada v. Lawton Developments Inc.*⁹, Lane J. was required to determine if separate and distinct advances under a single mortgage intended for different purposes should be afforded separate and distinct priority treatment under the CLA.

[16] Lane J. stated in relation to section 78(2) that:

The import of this subsection is to give lien claimants priority over any mortgage intended to finance construction of an improvement and any mortgage taken out to repay such mortgage, to the extent of any deficiency in the holdbacks required.

[17] Lane J. went on to note that the purpose of the Act is to protect persons who add value to property and to require owners and mortgagees to ensure appropriate holdbacks, in order to afford that protection. Lane J. noted in *Royal Bank* that:

However, the Act generally recognizes that the rights of the lien claimants begin only when they begin to add value, and accordingly, in a normal situation where a person takes from a bank a mortgage for the

⁷ 1993 CarswellOnt 821 (SCJ)

⁸ *Prophetic Non-Profit Homes (Richmond Hill) Inc.*, 1994 CarswellOnt 4719 and *Lindsay Brothers Construction Ltd. v. Halton Hills Development Corp.*, 1992 CarswellOnt 865.

⁹ (1994) 16 O.R. (3d) 450.

purposes of acquiring land and nothing more, the fact that he subsequently begins a building project does not give the claimants any priority over the bank whose money has enabled the land to be acquired. In line with the general principle that the rights of lien claimants begin only when they begin to add value, it makes sense that, where a bank agrees to take a mortgage with the dual intention of financing the acquisition of the land, and thereafter, financing the erection of the building upon it, that the section should be interpreted in a way that is consistent with convenient commercial practice so as to allow the bank to take a single mortgage for more than one purpose.... it seems to me both commercially convenient and in the spirit of the intent of the Construction Lien Act to give the bank priority for those advances which the bank can prove were made in carrying out its intention to finance the land, as opposed to its intention to finance the building.

- [18] Ms. Come argues that the mortgage in the case at bar was to both refinance the repaid mortgage and to finance construction and renovation of the project. \$457,117.75 was advanced by Ontario Wealth to refinance the then mortgage on the property.
- [19] This was a non-construction advance and as such is not caught by section 78(2) but is rather a prior advance under a prior mortgage as contemplated by section 78(3). As a consequence the non-construction advance is entitled to priority to the extent of the lesser of the amount advanced and the value of the property when the lien first arose, pursuant to section 78(3) of the Act.
- [20] What Sica is doing, says counsel, is attempting to bootstrap into an earlier improvement under a separate contract in order to assert a priority over Ontario Wealth. This is not what the *CLA* is meant to protect. In the case at bar, there was no deficiency in respect of any improvement at the time Ontario Wealth advanced funds. Sica was simply not in any contractual chain at the time that Ontario Wealth re-financed the mortgage or at the time that the Ontario Wealth mortgage was registered. All of the funds utilized by Ontario Wealth to pay out the initial mortgage were expended before Sica registered its lien and indeed before any liens were registered on title.
- [21] If Sica's argument was correct, then every time a mortgage lender came on board, they would be putting themselves at risk of being subrogated to holdback claims that post-date the financing. This would be legally and commercially absurd.
- [22] Indeed at the time that Ontario Wealth became involved with the property, all prior liens were vacated or had been discharged. This, says counsel, is a very important part of this case.
- [23] It is submitted that an improvement cannot relate back to an improvement that was prior to the time that Ontario Wealth advanced funds on the mortgage. This is not a case of a

single stage contract as was the case in *Dionisi*¹⁰. In the case at bar, there are 2 separate contracts and as a consequence the improvement by Sica is not governed by the same contract that existed prior to Sica coming on board.

- [24] Statutory construction dictates that a strict construction of the CLA is required in the case at bar. Absent any evidence that the repaid mortgage was taken with the intention of securing the financing of an improvement, section 78(2) is not engaged.
- [25] Irrespective, counsel argues, even if the court determines that the financing was undertaken to finance an improvement, it was done so under a different contract than that for which Sica was retained. Therefore, Sica's rights to a deficiency in the holdback do not extend to the improvement financed by the repaid mortgage.
- [26] Finally, in any event, the interest of Ontario Wealth is subrogated to that of the initial mortgagee. As Ontario Wealth paid off the prior mortgage, it is entitled to be subrogated to the payee's priority position.

Position of Ms. Lok

- [27] Ms. Lok appeared for Ontario Wealth. Her role was that of a party keeping a watching brief. She adopted the position of the Receiver and indicated that Sica's claim has not been proven.

Position of Sica

- [28] Mr. Bale notes that the report of Mr. Traub which is referenced in the Motion Record of the Receiver, wherein Mr. Traub voices his view of the priority issue, is of no utility to the court. I note here that Ms. Corne agreed that it had no evidentiary value for the court.
- [29] Mr. Bale reminds that liens arising from an improvement have priority under section 78(1) over all mortgages affecting the owner's interest, and that this is the central interpretative principle to adjudicate on priorities between lien claimants and mortgagees. To this end, "the burden [is] on the mortgagee to persuade the court that it somehow falls clearly within a specified exception to the generalized priority of liens."¹¹
- [30] Reference to section 1(1) of the Act was made as the starting point to define the term improvement. The threshold issue, counsel says, is whether the improvement financed under the first mortgagee's advance was obtained to finance the same improvement for which the Ontario Wealth mortgage was obtained.
- [31] Sica argues it is one and the same improvement. The work done prior to Sica's involvement and post Sica's involvement is all in respect of the same improvement. If this is the case, Sica has priority under sections 78(2) and (5) of the CLA.

¹⁰ *Bob Dionisi & Sons Ltd. and The Manufacturers Life Insurance Company*, 1992 CarswellOnt855.

¹¹ *Supra*, Note 4.

- [32] Counsel argues that Ontario Wealth has “no right to assume that the money it advanced would be applied to the purchase money segment of the Crombee mortgage.”¹²
- [33] Consideration of section 78(5) of the CLA is also germane to the case at bar. To quote Mr. Bale, “since the OWMC mortgage was registered after the time when the first lien arose in respect of the improvement, Sica has priority over the mortgage for the sum of \$123,647.04, subject to OWMC’s claim to the equitable remedy of subrogation.”¹³
- [34] As the crux of this dispute primarily rests on the definition of improvement, case law was provided to assist with the definition. In *Moffatt & Powell Limited v. 682901 Limited*,¹⁴ the court held that 4 lien claimants who did not commence their own action could shelter under the liens that were duly perfected under section 36(4) of the Act. The court determined that the 4 unregistered lien claimants could shelter under the duly registered 12 lien claimants.
- [35] In *Bob Dionisi & Sons Ltd.*¹⁵ the court held that as the wings of the building under construction were joined, the improvement was one improvement. The contract was a single stage event. Mr. Bale says that Ms. Corne’s argument has a logical fallacy: just because a single contract has one improvement does not mean that if there is more than one contract there is more than one improvement.
- [36] In *Metric Masonry Amalgamated Ltd. v. Life Centre Non-Profit Housing Corp. (Ajax)*¹⁶ the Divisional Court held that horizontal sheltering was permissible, which allowed for a subcontractor and a further subcontractor to that subcontractor to shelter under the liens duly filed by other subcontractors. In *1463150 Ontario Ltd. v. 11 Christie Street*,¹⁷ the Master held that all five lien claimants had one thing in common, namely the same improvement, even though there were two streams of contracting that were involved in the project.
- [37] In *Deslauriers Custom Cabinets Inc. v. 6383009 Canada Inc.*,¹⁸ the Master determined that all four lien claimants contracted directly with the owner, and all worked on the same improvement, thus the failure of three of the four to perfect their liens under section 37 of the CLA did not disentitle the three from sheltering their liens under the lien claimant who had complied with section 37 of the Act, and had set the action down for trial within the 2 year mandated time period.

¹² The Crombee mortgage was the mortgage that Ontario Wealth paid out.

¹³ See paragraph 24 of Sica’s factum.

¹⁴ [1992] 49 C.L.R. 205 (Ont.Ct. General Division)

¹⁵ See fn 10.

¹⁶ [1998] O.J. No. 364

¹⁷ [2007] O.J. No. 4111, per: Master Polika

¹⁸ [2012] O.J. No. 2608, per: Master MacLeod

- [38] Mr. Bale reminds that statutory interpretation requires a consideration of the context of the whole Act and as such the word improvement must be considered in the light of all of the sections of the Act that reference the term.
- [39] As for the argument of Ontario Wealth in relation to subrogation, Mr. Bale submits that it is an equitable remedy. In the case at bar, Sica would not be unjustly enriched if it was given priority. It was otherwise within the power of Ontario Wealth to ensure that holdbacks were retained. Ontario Wealth did not do so. Recognizing that a mortgagee does not have a statutory holdback obligation, it nonetheless bears some responsibility to ensure that appropriate holdbacks are retained.
- [40] Even if subrogation is found to be applicable, Ontario Wealth would be in no better position than Crombee, as Ontario Wealth would be subrogated to Crombee's position.

Reply of Ms. Corne

- [41] Counsel distinguished the cases that Mr. Bale referenced, in particular those involving issues of sheltering. Counsel argues that the case at bar is not a sheltering case.
- [42] In addition, there is no evidence that any funds advanced by the original first mortgagee were advanced to finance an improvement to the property. Counsel concedes that if Sica lien was based on the same improvement that Crombee financed, then Sica would have priority under the CLA, however there was no contract in place at the time. The first advance of \$500,000.00 occurred in an era when there was no construction contract and no liens were registered or work done.
- [43] Simply put there is no legal authority that allows a lien claimant to leap frog a mortgagee when at the time the mortgage was advanced there was no lien or contract for improvements in existence.

Analysis

Does the CLA assist Sica?

- [44] I agree with the position of Ontario Wealth. When Ontario Wealth came onto the scene, there were no construction liens on title. They had been vacated or discharged. They were not something for which Ontario Wealth was bound.
- [45] I accept therefore that Ontario Wealth advanced the original \$500,000.00 to pay out the Crombee mortgage. That advance was for payout of the land portion of the mortgage and not improvements.
- [46] I therefore agree with Ontario Wealth that section 78(3) of the CLA is applicable. The advance of Ontario Wealth takes priority over any lien claim in favour of Sica.
- [47] In this respect I adopt the reasoning of Justice Lane in *Royal Bank*, as set out in paragraph 16 above. The commercial sense and practice in this case establishes that the prior

advance under a prior mortgage, advanced by Ontario Wealth, engages section 78(3) of the Act.

- [48] In any event, there is no evidence before me that the improvement undertaken by Sica related to any of the same improvements undertaken prior to Ontario Wealth coming on board in November 2008. In this regard I note that Sica claims for contractual undertakings for the period January 12, 2009 – March 28, 2010, for which it registered its lien in April 2010.
- [49] The case at bar is therefore very distinguishable from the fact patterns in the cases provided by Mr. Bale. In all of those cases the court either held that a lien was registered at the material time and/or that a lien claimant could shelter under another's construction lien for the same improvement.
- [50] I cannot find that the improvements undertaken by Sica relate to the same contract. They very well may relate to the same project but are otherwise, on this record, stand-alone improvements disconnected from the prior lien claimants interests that were discharged or vacated prior to Ontario Wealth providing financing.

Subrogation

- [51] I also find favour with the argument of Ontario Wealth that subrogation favours the position of Ontario Wealth. A mortgagee that pays off prior encumbrances is entitled to be subrogated to the payee's priority position. There was no reason for Ontario Wealth to retain holdbacks on an equitable basis, when there were no liens on title.

Conclusion

- [52] Ontario Wealth is in a priority position to that of Sica. The Receiver may remit the balance of the funds under its administration to Ontario Wealth Management Corporation.
- [53] In relation to costs, the Receiver shall provide submissions on costs inclusive of a bill of costs not to exceed 5 pages within 15 days of release of this endorsement. Sica to respond on the same terms within 10 days of receipt of the Receivers materials. Any reply by the Receiver within 5 days thereafter. Materials on costs to be provided to the attention of my assistant, Ms. Joan Russell, at the courthouse, 150 Bond Street East, 6th floor, Oshawa.

The Honourable Mr. Justice H.K. O'Connell

Date: October 18, 2013

TAB 2

This is **Exhibit “2”** referred to in the
affidavit of Cecilia Cece sworn before
me by video Conference,
on February 19, 2025

A handwritten signature in blue ink, consisting of several loops and a horizontal stroke, positioned above a horizontal line.

A Commissioner for Taking Affidavits, etc.
Fernando Souza- Barrister & Solicitor

PROPERTY DESCRIPTION: PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE PTS 1 & 2 39R11490; T/W PH81228; MUNICIPALITY OF PORT HOPE

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2006/02/20

OWNERS' NAMES

2323044 ONTARIO LIMITED

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2006/02/17 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2006/02/20 **</p>						
STEW1	1872/03/11	PLAN SUBDIVISION				C
PH40288	1974/06/07	TRANSFER		*** COMPLETELY DELETED ***	284611 ONTARIO LIMITED	
PH60607	1979/08/23	NOTICE OF LEASE		*** COMPLETELY DELETED ***	KYPRIANOU, MARULLA THODOULOU, KYRIAKOS	
PH64318	1980/11/14	BYLAW				C
9R1788	1986/05/06	PLAN REFERENCE				C
PH104642	1990/08/19	CONSTRUCTION LIEN		*** COMPLETELY DELETED ***		
NC288083	2000/02/02	NOTICE		*** COMPLETELY DELETED ***		
NC321716	2002/10/31	CHARGE		*** COMPLETELY DELETED ***		
					HM THE QUEEN ONTARIO	

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
NC342425	2004/04/08	CHARGE		*** COMPLETELY DELETED ***	1590864 ONTARIO LIMITED	
NC365400	2005/09/13	LIEN		*** COMPLETELY DELETED ***		
NC367206	2005/10/24	CERTIFICATE		*** COMPLETELY DELETED ***		
		REMARKS: NC365400				
ND4656	2006/11/08	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
		REMARKS: TAX LIEN				
ND4971	2006/11/22	LIEN		*** COMPLETELY DELETED *** HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
ND7180	2007/03/21	POSTPONEMENT		*** COMPLETELY DELETED *** HM THE QUEEN ONTARIO	1590864 ONTARIO LIMITED	
		REMARKS: NC321716 TO NC342425				
39R11490	2007/03/30	PLAN REFERENCE				C
ND7575	2007/04/11	APL DEL EXECUTION		*** COMPLETELY DELETED *** AITCHISON, JAMES		
		REMARKS: DELETING EXECUTION NO. 04-0000201				
ND7576	2007/04/11	TRANS POWER SALE		*** COMPLETELY DELETED *** 1590864 ONTARIO LIMITED	1713515 ONTARIO LIMITED	
		REMARKS: NC342425				
ND7577	2007/04/11	APL DEL EXECUTION		*** COMPLETELY DELETED *** 1713515 ONTARIO LIMITED		
		REMARKS: DELETING EXECUTIONS 01-0000150; 01-0000151; 05-0000166; 05-0000167; 04-0000201.				
ND7578	2007/04/11	APL (GENERAL)		*** COMPLETELY DELETED *** 1713515 ONTARIO LIMITED		
		REMARKS: DELETING NOTICE OF LEASE PH60607				
ND7579	2007/04/11	CHARGE		*** COMPLETELY DELETED *** 1713515 ONTARIO LIMITED	CROMBEE CONSTRUCTION LTD. SWARTZ, MICHAEL 1522648 ONTARIO INC. B2B TRUST	

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

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
ND8594	2007/05/25	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	LYNWILL REAL ESTATE CORPORATION B2B TRUST	
	REMARKS: RE: PH104642					
ND8595	2007/05/25	DISCHARGE INTEREST		*** COMPLETELY DELETED ***	1590864 ONTARIO LIMITED	
	REMARKS: RE: NC288083					
ND13284	2007/11/14	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** VOUT WELDING LTD.		
ND14099	2007/12/20	CERTIFICATE		*** COMPLETELY DELETED *** VOUT WELDING LTD.		
	REMARKS: ND13284					
ND14495	2008/01/18	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** 938322 ONTARIO LIMITED		
ND15169	2008/02/28	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** PICCINI ARCHITECT		
ND15233	2008/03/03	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** DURHAM ENERGY SPECIALIST LIMITED		
ND15977	2008/04/10	CERTIFICATE		*** COMPLETELY DELETED *** 938322 ONTARIO LIMITED	1713515 ONTARIO LIMITED CROMBEE CONSTRUCTION LTD. SWARTZ, MICHAEL 1522648 ONTARIO INC B2B TRUST LYNWILL REAL ESTATE CORPORATION	
	REMARKS: RE: ND14495					
ND16032	2008/04/14	CERTIFICATE		*** COMPLETELY DELETED *** RENO PICCINI DURHAM ENERGY SPECIALIST LIMITED		
	REMARKS: ND15169 & ND15233					
ND22240	2008/11/07	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	PICCINI ARCHITECT	
	REMARKS: RE: ND15169					

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
ND22241	2008/11/07	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	DURHAM ENERGY SPECIALIST LIMITED	
		REMARKS: RE: ND15233				
ND22242	2008/11/07	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	938322 ONTARIO LIMITED	
		REMARKS: RE: ND14495				
ND22243	2008/11/07	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	VOUT WELDING LTD.	
		REMARKS: RE: ND13284				
ND22245	2008/11/10	CHARGE		*** COMPLETELY DELETED *** 1713515 ONTARIO LIMITED	ONTARIO WEALTH MANAGEMENT CORPORATION	
ND22246	2008/11/10	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1713515 ONTARIO LIMITED	ONTARIO WEALTH MANAGEMENT CORPORATION	
		REMARKS: ND22245				
ND24627	2009/01/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** CROMBEE CONSTRUCTION LTD. SWARTZ, MICHAEL 1522648 ONTARIO INC. B2B TRUST LYNWILL REAL ESTATE CORPORATION B2B TRUST		
		REMARKS: RE: ND7579				
ND37637	2009/10/27	NOTICE		*** COMPLETELY DELETED *** 1713515 ONTARIO LIMITED	ONTARIO WEALTH MANAGEMENT CORPORATION	
		REMARKS: ND22245				
ND44332	2010/04/08	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SICA MASONRY & GENERAL CONTRACTING LTD.		
ND47283	2010/06/10	CERTIFICATE		*** COMPLETELY DELETED *** SICA MASONRY & GENERAL CONTRACTING LTD.		
		REMARKS: ND44332				
ND56239	2010/12/24	APL COURT ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	SF PARTNERS INC.	
ND56403	2011/01/05	NO CHNG ADDR INST		*** COMPLETELY DELETED *** ONTARIO WEALTH MANAGEMENT CORPORATION		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
ND75809	2012/05/15	LR'S ORDER		*** COMPLETELY DELETED *** LAND REGISTRAR		
ND75867	2012/05/16	APL VESTING ORDER	\$600,000	ONTARIO SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST	2323044 ONTARIO LIMITED	C
ND93428	2013/08/08	BYLAW		THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE		C

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

**CHART OF ENCUMBRANCES ON
PIN 51073-0050 LT**

TABS	PARTY	TYPE OF INSTRUMENT	REGISTRATION INSTRUMENT	DATE OF REGISTRATION	FIRST DAY OF SUPPLY	LAST DAY OF SUPPLY	STATUS
1.	RONALD JOICE COB ELECTROTECH	Lien	PH104642	1990/08/19	No Date Given	1990/07/05	Lien Discharged
		Application to Delete	ND8594	2007/05/25			
2.	UNION ENERGY INC.	Notice of Security Interest	NC288083	2000/02/02			
3.	HER MAJESTY THE QUEEN	Charge	NC321716	2002/10/31			
4.	1590864 ONTARIO LIMITED	Charge	NC342425	2004/04/08			
5.	J. HAWKINS CONSTRUCTION	Lien	NC365400	2005/09/13	2005/07/18	2005/08/02	Lien Discharged.
		Certificate of Action	NC367206	2005/10/24	2005/07/18	2005/08/02	
		Application to Delete	ND8594	2007/05/25			
6.	HER MAJESTY THE QUEEN	Tax Lien	ND4656	2006/11/08			
7.	HER MAJESTY THE QUEEN	Tax Lien	ND4971	2006/11/22			
8.	CROMBEE CONSTRUCTION LTD., MICHAEL SWARTZ, 1522648 ONTARIO INC., B2B TRUST, LYNWILL REAL ESTATE CORPORATION AND B2B TRUST	Charge	ND7579	2007/04/11			
		Discharge of Charge	ND24627	2009/01/20			
9.	VOUT WELDING LD.	Lien	ND13284	2007/11/14	2007/07/04	2007/10/04	Lien Discharged.

		Certificate of Action	ND14099	2007/12/20			
		Discharge of Lien	ND22243	2008/11/07			
10.	938322 ONTARIO LIMITED	Lien	ND14495	2008/01/18	2007/01/06	2008/01/16	Lien Discharged.
		Certificate of Action	ND15977	2008/04/10			
		Discharge of Lien	ND22242	2008/11/07			
11.	PICCINI ARCHITECT	Lien	ND15169	2008/02/28	2007/03/05	2008/01/18	Lien Discharged.
		Certificate of Action	ND16032	2008/04/14			
		Discharge of Lien	ND22240	2008/11/07			
12.	DURHAM ENERGY SPECIALIST LIMITED	Lien	ND15233	2008/03/03	2007/07/16	2008/01/20	Lien Discharged.
		Certificate of Action	ND16032	2008/04/14			
		Discharge of Lien	ND22241	2008/11/07			
13.	ONTARIO WEALTH MANAGEMENT CORPORATION	Charge	ND22245	2008/11/10			
14.	SICA MASONRY & GENERAL CONTRACTING LTD.	Lien	ND44332	2010/04/08	2009/01/12	2010/03/18	
		Certificate of Action	ND47283	2010/06/10			

15.	SF PARTNERS INC.	Application Court Order	ND56239	2010/12/24			
16.	2323044 ONTARIO LIMITED	Application Vesting Order(Commercial List)	ND75867	2012/05/16			

104642

Construction Lien Act, 1983

CLAIM FOR LIEN

Under Section 34 of the Act

Name of Lien Claimant: RONALD JOICE cob ELECTROTECH
 Address for Service: 20 Barrett Street, Port Hope, Ontario L1A 1M7
 Name of owner: 284611 ONTARIO LIMITED
 Address: 81 Walton Street, Port Hope, Ontario
 Name of person to whom lien claimant supplied services or materials:
 Leo Powell and x cob CRAZY WINGS
 Address: 81 Walton Street, Port Hope, Ontario

Time within which services or materials were supplied:
 from (date supply commenced) to July 5, 1990 (date of most recent supply)

Short description of services or materials that have been supplied:
 the lien claimant did the electrical work required to install a new dishwasher and wind steam table and other miscellaneous electrical work to convert the premises for use by a new tenant

Contract price or subcontract price: \$ 1,005.16
 Amount claimed as owing in respect of services or materials that have been supplied: together with costs \$ 1,005.16

(Use A where the lien attaches to the premises; use B where the lien does not attach to the premises).

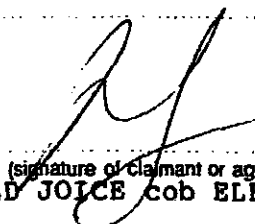
A. The lien claimant* claims a lien against the interest of every person identified above as an owner of the premises described in Schedule A to this claim for lien.

(* If claimant is personal representative or assignee this must be stated)

BY THIS LIEN THE CLAIMANT CLAIMS A LIEN AGAINST THE INTEREST OF EVERY PERSON IDENTIFIED ABOVE AS AN OWNER OF THE PREMISES DESCRIBED IN SCHEDULE A TO THIS CLAIM FOR LIEN. THE LIEN IS NOT SUBJECT TO ANY RIGHTS OF SET-OFF OR COUNTERCLAIM BY ANY PERSON UNLESS SUCH RIGHTS ARE SET FORTH IN WRITING IN A CONTRACT OR AGREEMENT IN WRITING WHICH IS A CONDITION OF THE SUPPLY OF SERVICES OR MATERIALS THAT HAVE BEEN SUPPLIED BY THE LIEN CLAIMANT TO THE PREMISES AT:

(address or other identification of the location of the premises)

Date: Aug 17/90


 (signature of claimant or agent)
 RONALD JOICE cob ELECTROTECH

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the Town of Port Hope, in the County of Durham, being composed of parts of Lots Numbers Fifty-four and Fifty-five in the Town Plot of Port Hope fronting on the south side of Walton Street known as "Queen's Hotel", and more particularly described as follows:

COMMENCING at the point of intersection of the said southerly limit of Walton Street with the easterly limit of John Street of said Town of Port Hope;

THENCE south 67 degrees 40 minutes east (astronomic) along the said southerly limit of Walton Street a distance of 46 feet 1 inch more or less to a point in line with the ewesterly limit of a brick wall situate on the property immediately to the east of the lands hereby described, being the westerly limit of a party wall referred to in Instrument dated April 30, 1870, and registered in Book 7 for Port Hope as Number 3226;

THENCE south 8 degrees 17 minutes west in and along said westerly limit of the said wall 44 feet 6 inches to the southerly end of the said wall;

THENCE south 6 degrees 47 minutes west a distance of 14 feet to a point;

THENCE south 86 degrees 46 minutes east a distance of 9 feet 8 inches to a point;

THENCE south 3 degrees 13 minutes west in and along the production northerly of the easterly face of a brick wall referred to in a Deed from Hannah Jennings Budge to Lewis G. Bennett, registered in the Registry Office for the East Riding of the County of Durham on June 8, 1904, in Book 25 for the Town of Port Hope as No. 9904, as the Eastern Wall of the Queen's Hotel Kitchen Premis.s" and to and along the said easterly face of said last mentioned wall 46 feet 4 inches to its intersection with the northerly face of another brick wall referred to in the Deed lastly above mentioned as the "northerly wall of a part of the Queen's Hotel Stable Premises";

THENCE south 89 degrees 08 minutes east in and along the said northerly face of said last mentioned brick wall 29 feet 6 inches to a point in the westerly limit of lands formerly owned by the late John Smart;

THENCE south 1 degree 22 minutes west in and along the said last mentioned western limit and along the western limit of the Canadian National Railway property 93 feet 7 inches to a point;

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~~THENCE south 1 degree 22 minutes west in and along the said last mentioned western limit and along the western limit of the Canadian National Railway property 93 feet 7 inches to a point;~~

THENCE North 79 degrees 39 minutes west 73 feet more or less to a point;

THENCE northerly 3 feet 6 inches parallel to the easterly limit of John Street to a point;

THENCE north 79 degrees 39 minutes west 35 feet to a point in the easterly limit of John Street;

THENCE northerly in and along the said easterly limit of John Street 199 feet 1 inch more or less to the place of beginning.

1
KO
2

NUMBER 104642
CERTIFICATE OF REGISTRATION

104642 **PORT HOPE**

Aug 17 4 18 PM '90

PORT HOPE No. 9

W. Brown
Land Registrar

Properties

PIN 51073 – 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 00081 WALTON ST
 PORT HOPE

Document to be Discharged

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
PH104642	1990 08 19	Construction Lien

Discharging Party(s)

The applicant applies to delete the selected lien and/or certificate of action.

Name 1590864 ONTARIO LIMITED
Address for Service c/o 4 Cannon Court
 Whitby, Ontario
 L1N 5V8

I, Stan Misikin, have the authority to bind the corporation.

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

Document(s) to be Deleted

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
NC367206	2005/10/24	Certificate

Statements

The application is based on a court order File no. 41/07 of Ontario Superior Court of Justice at Cobourg, Ontario, dated 2007/04/26, discharging/releasing the lien. The court order is still in full force and effect.

The application is based on a court order File no. 41/07 of Ontario Superior Court of Justice at Cobourg, Ontario, dated 2007/04/26 vacating the certificate of action. The court order is still in full force and effect.

Schedule: See Schedules

Signed By

James Norman Aitchison 185–419 King St. W. acting for Signed 2007 05 25
 Oshawa
 L1J 8L8 Applicant(s)

Tel 9054331174
 Fax 9054331645

Submitted By

JAMES N AITCHISON 185–419 King St. W. 2007 05 25
 Oshawa
 L1J 8L8

Tel 9054331174
 Fax 9054331645

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$60.00
<i>Total Paid</i>	\$60.00

File Number

Discharging Party Client File Number : 070049

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE M. *R*) THURSDAY, THE 26TH DAY
JUSTICE *P. Z. MAGDA*) OF APRIL, 2007.

BETWEEN:

1590864 ONTARIO LIMITED

Applicant

and

J. HAWKINS CONSTRUCTION and RONALD JOICE cob ELECTROTECH

Respondent

ORDER

THIS APPLICATION, made by the Applicant for an Order discharging the Claim for Lien, registered on September 13, 2005, an Order vacating the Certificate of Action, registered on October 21, 2005, and an Order discharging the Claim for Lien, registered on August 19, 1990, against property municipally known as 81 Walton Street, Port Hope, Ontario, was heard this day at 860 William Street, Cobourg, Ontario, K9A 3A9.

ON READING the Notice of Application, the Affidavit of Elizabeth Roberge, with Exhibits attached thereto, filed, and on hearing the submissions of counsel for the Applicant:

1. THIS COURT ORDERS that the Claim for Lien registered on September 13, 2005 as Instrument Number NC365400 on the property municipally known as 81 Walton Street, Port Hope, Ontario and legally described as Property Identifier Number 51073-0050(LT), be and is hereby discharged.

2. THIS COURT FURTHER ORDERS that the Certificate of Action registered on October 21, 2005 as Instrument Number NC367206 on the property municipally known as 81 Walton Street, Port Hope, Ontario and legally described as Property Identifier Number 51073-0050(LT), be and is hereby vacated.

3. THIS COURT FURTHER ORDERS that the Claim for Lien registered on August 19, 1990 as Instrument Number PH104642 on the property municipally known as 81 Walton Street, Port Hope, Ontario and legally described as Property Identifier Number 51073-0050(LT), be and is hereby discharged.

A handwritten signature in black ink, consisting of several loops and a horizontal line at the end, positioned above a solid horizontal line.

Entered at Cobourg
Inscrit a Cobourg
MAY 10 2007
in Book No. 80 73-54
su registre no. 6574

1590864 ONTARIO LIMITED

and

J. HAWKINS CONSTRUCTION and RONALD JOICE cob
ELECTROTECH

Applicant

Respondents

Court File No.: 41/07

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Cobourg, Ontario

ORDER

AITCHISON LAW OFFICE

Barristers & Solicitors
419 King Street West
Suite 185
Oshawa, Ontario
L1J 8L8

JAMES N. AITCHISON (LSUC #15835N)

Phone: (905) 433-1174
Fax: (905) 433-1645

Solicitor for the Applicant

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">FOR OFFICE USE ONLY</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">288083</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">CERTIFICATE OF REGISTRATION NORTHUMBERLAND COUNTY</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">'GO FEB 2 PM 3 24</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Beckman Legal LAND REGISTRAR</p>	(1) Registry <input checked="" type="checkbox"/> Land Titles <input type="checkbox"/>	(2) Page 1 of 2 pages	
	(3) Property Identifier(s) Block Property	Additional: See Schedule <input type="checkbox"/>	
	(4) Nature of Document Notice of Security Interest Personal Property Security Act, 1989		
	(5) Consideration TWO THOUSAND FOUR HUNDRED TWENTY ONE Dollars \$ 2,421.00		
	(6) Description Part of Town Plot Lot 54 & 55 Stewart Plan Town of Port Hope County of Northumberland as in 40288		
	New Property Identifiers	Additional: See Schedule <input type="checkbox"/>	
Executions	Additional: See Schedule <input type="checkbox"/>		
(7) This Document Contains:			
(a) Redescription New Easement Plan/Sketch <input type="checkbox"/>			
(b) Schedule for: Description <input checked="" type="checkbox"/> Parties <input checked="" type="checkbox"/> Other <input type="checkbox"/>			

(8) This Document provides as follows:

Notice is hereby given that by a Security Agreement made between THE WALTON HOTEL of 81 WALTON STREET, PORT HOPE, ONTARIO L1A 1N2 as Debtor, and the party signing in Box 10 as Secured Party, a Security Interest has been created in ONE GAS FURNACE

The collateral is located or is affixed or is to be affixed to the property described in Box 6 of this Document.
The expiry date of this document is NOVEMBER 29, 2004

Continued on Schedule

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest) Name(s)	Signature(s)	Date of Signature Y M D
UNION ENERGY INC.	per	1999 11 29
I have authority to bind the Corporation.	NAME: Roger Rossi	
Secured Party:	TITLE: Controller	

(11) Address for Service: 2 Lansing Square, Suite 1200, Toronto, Ontario M2J 4P8

(12) Party(ies) (Set out Status or Interest) Name(s)	Signature(s)	Date of Signature Y M D
284611 Ontario Limited		
DEBTOR: THE WALTON HOTEL		

(13) Address for Service: 81 WALTON STREET, PORT HOPE, ONTARIO L1A 1N2

(14) Municipal Address of Property	(15) Document Prepared by:	Fees and Tax
81 WALTON STREET PORT HOPE, ONTARIO L1A 1N2	Union Energy Inc. 2 Lansing Sq., Suite 1200 Toronto, Ontario M2J 4P8 Tel: 905-720-3594 (Legal Department)	Registration Fee 50 Total 50

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the Town of Port Hope, in the County of Durham, being composed of parts of Lots Numbers Fifty-four and Fifty-five in the Town Plot of Port Hope fronting on the south side of Walton Street known as "Queen's Hotel", and more particularly described as follows:

COMMENCING at the point of intersection of the said southerly limit of Walton Street with the easterly limit of John Street of said Town of Port Hope;

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THENCE north 79 degrees 39 minutes west 35 feet to a point in the easterly limit of John Street;

THENCE northerly in and along the said easterly limit of John Street 199 feet 1 inch more or less to the place of beginning.

FOR OFFICE USE ONLY

321715

CERTIFICATE OF REGISTRATION
NORTHUMBERLAND (39) COBOURG

'02 OCT 31 PM 12 54

Bushman Fogala
LAND REGISTRAR

(1) Registry Land Titles (2) Page 1 of 3 pages

(3) Property Identifier(s) Block Property Additional: See Schedule

(4) Principal Amount
FIFTY FOUR THOUSAND TWO HUNDRED
Dollars \$ 54,200.00

(5) Description
Part of Lots 54 and 55 in the Town of Port Hope fronting on the south side of Walton Street known as "Queen's Hotel" Town of Port Hope *now Municipality of Port Hope* County of Northumberland Land Registry Office for Port Hope at Cobourg (No. 9) as previously described in Deed No. 40288

Executions Additional: See Schedule

(6) This Document Contains (a) Redescription New Easement Plan/Sketch (b) Schedule for: Description Additional Parties Other (7) Interest/Estate Charged Fee Simple

(8) Standard Charge Terms — The parties agree to be bound by the provisions in Standard Charge Terms filed as number **9320** and the Chargor(s) hereby acknowledge(s) receipt of a copy of these terms.

(9) Payment Provisions

(a) Principal Amount \$ 54,200.00	(b) Interest Rate See Schedule % per annum	(c) Calculation Period See Schedule
(d) Interest Adjustment Date XXXXXXXXXX	(e) Payment Date and Period See Schedule	(f) First Payment Date See Schedule
(g) Last Payment Date See Schedule	(h) Amount of Each Payment See Schedule	Dollars \$ See Schedule
(i) Balance Due Date See Schedule	(j) Insurance Full insurable value	Dollars \$

(10) Additional Provisions

Continued on Schedule

(11) Chargor(s) The chargor hereby charges the land to the chargee and covenants that the charge is a first charge in priority to all other charges.

The chargor(s) acknowledge(s) receipt of a true copy of this charge.

Name(s) **284611 ONTARIO LIMITED**

Signature(s) *Leo Powell*

Per: **Leo Powell**

Name: **Leo Powell**

Title: **President**

Date of Signature **2002 10 31**

I have authority to bind the Corporation.

(12) Spouse(s) of Chargor(s) I hereby consent to this transaction.

Name(s) _____ Signature(s) _____ Date of Signature Y M D

(13) Chargor(s) Address for Service **81 Walton Street, Port Hope, Ontario L1A 1N2**

(14) Chargee(s) **HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE**

(15) Chargee(s) Address for Service **Collections and Compliance Branch, 33 King Street West, Oshawa, Ontario L1H 8H5**

(16) Assessment Roll Number of Property

Cty. 14	Mun. 25	Map 000	Sub. 090	Par. 14100
----------------	----------------	----------------	-----------------	-------------------

(17) Municipal Address of Property **81 Walton Street, Port Hope, Ontario L1A 1N2**

(18) Document Prepared by: **Murray H. Miskin, Suite 206, 701 Rossland Road East, Whitby, Ontario L1N 8Y9, 11549/ag**

FOR OFFICE USE ONLY

Registration Fee	60
Total	60

Additional Property Identifier(s) and/or Other Information

WHEREAS **284611 ONTARIO LIMITED**, operating as **The Walton Hotel**, is indebted to the Minister of Finance on account of tax, interest and/or penalties imposed under the **Retail Sales Tax Act**, R.S.O. 1990, c. R.31, and the **Corporations Tax Act**, R.S.O. 1990, c. C-40, in the amount of **Fifty-Four Thousand Two Hundred Dollars (\$54,200.00)** as of October 21, 2002;

AND WHEREAS for valuable consideration the Chargor described in Box (11) hereof agrees to provide security in favour of and for the due payment of the aforesaid indebtedness;

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the sum of Two Dollars (\$2.00) now paid (the receipt and sufficiency of which is hereby acknowledged) and in consideration of these presents and to secure the due payment of the aforesaid indebtedness together with all subsequently accruing interest as hereinafter set out, the said Chargor hereby grants and mortgages to the said Chargee, her successors and assigns forever, those lands and premises more particularly described in Box (5) hereof.

The principal amount and accrued interest shall be due and payable as follows:

Payments in the amount of Five Hundred Dollars (\$500.00) each are due and payable on the 1st day of each and every month from and including the 1st day of November, 2002 to and including the 1st day of October, 2003 (the "Maturity Date"). The principal and accrued interest at the rate of seven percent (7.00%) per annum compounded daily (or at such other rate or rates as are prescribed from time to time under the regulations made pursuant to the Acts) will be due and payable in full on the 1st day of October, 2003, the Maturity Date.

Interest on the foregoing indebtedness of **Fifty-Four Thousand Two Hundred Dollars (\$54,200.00)** shall be calculated from the 22nd day of October, 2002 at the rate of seven percent (7.00%) per annum compounded daily or at such other rate or rates as are prescribed from time to time under the regulations made pursuant to the Acts.

PROVIDED FURTHER that the acceptance of this Charge/Mortgage of Land shall not be in derogation of or in replacement of or in substitution for any method of collecting the aforesaid indebtedness which the Chargee had in equity or at law prior to the acceptance of this Charge/Mortgage of Land.

AND PROVIDED FURTHER that the Chargor may prepay the whole or any amount or amounts of principal and accrued interest hereby secured without notice or bonus, at any time or times.

AND PROVIDED FURTHER that the Chargor and Chargee agree that where any provision contained in Standard Charge Terms number 9320 is in conflict with the clauses in this Schedule, the clauses in this Schedule will be the operating provisions to the extent and effect of the conflict.

In this Charge the expression "the Chargor" shall include assigns of the Chargor, and words in the singular include the plural, and words in the plural include the singular, and words importing the masculine, feminine or neuter genders include the masculine, feminine or neuter genders where the context so requires.

FOR OFFICE
USE ONLY

Additional Property Identifier(s) and/or Other Information

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the Town of Port Hope, in the County of Durham, being composed of parts of Lots Numbers Fifty-four and Fifty-five in the Town Plot of Port Hope fronting on the south side of Walton Street known as "Queen's Hotel", and more particularly described as follows:

COMMENCING at the point of intersection of the said southerly limit of Walton Street with the easterly limit of John Street of said Town of Port Hope;

THENCE south 67 degrees 40 minutes east (astronomic) along the said southerly limit of Walton Street a distance of 46 feet 1 inch more or less to a point in line with the westerly limit of a brick wall situate on the property immediately to the east of the lands hereby described, being the westerly limit of a party wall referred to in Instrument dated April 30, 1870, and registered in Book 7 for Port Hope as Number 3226;

THENCE south 8 degrees 17 minutes west in and along said westerly limit of the said wall 44 feet 6 inches to the southerly end of the said wall;

THENCE south 6 degrees 47 minutes west a distance of 14 feet to a point;

THENCE south 86 degrees 46 minutes east a distance of 9 feet 8 inches to a point;

THENCE south 3 degrees 13 minutes west in and along the production northerly of the easterly face of a brick wall referred to in a Deed from Hannah Jennings Budge to Lewis G. Bennett, registered in the Registry Office for the East Riding of the County of Durham on June 8, 1904, in Book 25 for the Town of Port Hope as No. 9904, as the Eastern Wall of the Queen's Hotel Kitchen Premises" and to and along the said easterly face of said last mentioned wall 46 feet 4 inches to its intersection with the northerly face of another brick wall referred to in the Deed lastly above mentioned as the "northerly wall of a part of the Queen's Hotel Stable Premises";

THENCE south 89 degrees 08 minutes east in and along the said northerly face of said last mentioned brick wall 29 feet 6 inches to a point in the westerly limit of lands formerly owned by the late John Smart;

THENCE south 1 degree 22 minutes west in and along the said last mentioned western limit and along the western limit of the Canadian National Railway property 93 feet 7 inches to a point;

THENCE North 79 degrees 39 minutes west 73 feet more or less to a point

THENCE northerly 3 feet 6 inches parallel to the easterly limit of John Street to a point;

THENCE north 79 degrees 39 minutes west 35 feet to a point in the easterly limit of John Street;

THENCE northerly in and along the said easterly limit of John Street 199 feet 1 inch more or less to the place of beginning.

FOR OFFICE USE ONLY

Property Identifier(s) and/or Other Information

Description (cont'd)

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USE ONLY

Property Identifier(s) and/or Other Information

Additional Provisions

THE MORTGAGOR not being in default hereunder and never having been in default shall have the privilege of paying the whole or any part of the principal monies herein secured at any time on any monthly payment date upon payment of two (2) months' interest on the amount so prepaid by way of bonus.

THE PARTIES agree that in the event of a sale, conveyance, disposition or transfer of title of any kind and howsoever effected, the principal outstanding on the mortgage together with all accrued interest and other proper payment of charges under the mortgage shall, at the sole option of the Mortgagee become immediately due and payable. If the Mortgagee requires that the mortgage be paid out then the Mortgagor shall pay to the Mortgagee, in addition to any other monies due under the Mortgage, a bonus equal to two (2) months' interest on the principal balance outstanding under the Mortgage.

PROVIDED FURTHER that it shall be a term of the Mortgage that the Mortgagor shall deliver to the Mortgagee at the commencement of each year of this Mortgage, twelve post-dated cheques, in the monthly payment amounts called for under this Mortgage. Any default under the covenant shall be construed as a default under the Mortgage and the Mortgagee shall thereupon be entitled to exercise any and all of the rights contained in the Mortgage.

THE MORTGAGEE covenants and agrees that all payments made pursuant to the terms of this Mortgage shall be delivered to the Mortgagee or the Mortgagee's solicitor (or such other person as the Mortgagee may in writing direct) on any banking day between the hours of 9:00 a.m. and 12:00 noon, and in the event such payment is made after 12:00 noon, then interest at the rate aforesaid shall continue to accrue upon such payment to and including the next following banking day.

PROVIDED FURTHER THAT the Mortgagor hereby agrees to incorporate into the term of the Mortgage a provision that upon maturity of this Mortgage and in the event the outstanding principal balance and accrued interest is not repaid on the Balance Due Date, interest at the rate of 24% per annum will be charged from the maturity date until repayment in full both before and after judgment, if any.

THE MORTGAGEE may pay all of its expenses of collecting any payments not received from the Mortgagor when due. These expenses will include all of the Mortgagee's legal expenses on a solicitor and client basis. The Mortgagor agrees that immediately upon request it will reimburse the Mortgagee for all such expenses. Until paid, such expenses will be added to the outstanding principal hereunder and will be a charge against the lands. Interest is payable by the Mortgagor on such expenses paid by the Mortgagee at the interest rate payable on the Mortgage amount until the payments are made to the Mortgagee in full. The Mortgagee may also exercise its right to collect payments together with interest due and payable under the other provisions for default under this Mortgage.

UPON DEFAULT in payment of any amounts due from time to time under this Mortgage or in the performance of any of the terms and conditions hereof, the Mortgagee may enter into and take possession of the lands and premises hereby Charged free from all manner of former conveyances, mortgages, charges or encumbrances without the let, suit, hindrance, interruption or denial of the Mortgagor or any other person whatsoever.

THE MORTGAGOR shall pay to the Mortgagee for any cheque not honoured by the Mortgagor's bank for any reason the sum of \$250.00 in addition to the original payment or payments required hereunder and such sum shall bear interest at the rate of interest under the Mortgage until paid.

ANY STATEMENT for purposes of information, assumption or discharge shall be provided at a fee of \$100.00 per statement, and the Mortgagor agrees to pay such fee(s) and discharge fees of \$250.00 plus GST thereon, and the Mortgagee shall be given a reasonable amount of time for preparation of such statement or discharge.

THE MORTGAGOR is obliged to provided, at the Mortgagee's request, on or before the anniversary date of the interest adjustment date for each year of the mortgage term, a copy of the receipted tax bill confirming payment of all tax instalments due up to such interest adjustment date. In the event that there are outstanding taxes, the Mortgagor shall be deemed to be in default under this Mortgage.

PROVIDED the Mortgagor is not in default hereunder, it shall have the option to renew this Mortgage for

FOR OFFICE
USE ONLY

Property Identifier(s) and/or Other Information

Further one (1) year term at the same interest rate and on the same terms and conditions as stated in this Mortgage, provided that he gives to the Mortgagee at least two (2) months written notice.

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FOR OFFICE USE ONLY

0365400

CERTIFICATE OF REGISTRATION
NORTHUMBERLAND (03) COBBOURG

2005 SEP 13 PM 3 05

Bachman Galt

LAND REGISTRAR

(1) Registry <input checked="" type="checkbox"/> Land Titles <input type="checkbox"/>		(2) Page 1 of 4 pages M	
(3) Property Identifier(s)		Block	Property
(4) Nature of Document Claim for Lien			
(5) Consideration		56/100 Fifteen Thousand & forty-three Dollars \$ 15,043.56	
(6) Description Part of Lots 54 and 55 in the Plot Town of Port Hope County of Northumberland fronting on the southside of Walton Street more particularly described in attached Schedule. STEWART PLAN			
(7) This Document Contains:		(b) Schedule for:	
(a) Redescription New Easement Plan/Sketch <input type="checkbox"/>		Description <input checked="" type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input type="checkbox"/>	

New Property Identifiers

Additional: See Schedule

Executions

Additional: See Schedule

(8) This Document provides as follows:

See attached Claim for Lien

Continued on Schedule

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s)

Signature(s)

Date of Signature
Y M D

J. Hawkins Construction

[Signature]
Jim Hawkins, President
I have authority to bind the Corporation.

2005 09 15

(11) Address for Service

18 Durham Street, Port Hope, Ontario, L1A 1G7

(12) Party(ies) (Set out Status or Interest)

Name(s)

Signature(s)

Date of Signature
Y M D

~~Leo Power~~ 284611 Ontario Limited

(13) Address for Service

81 Walton Street, Port Hope, Ontario, L1A 1N2

(14) Municipal Address of Property

81 Walton Street
Port Hope, Ontario
L1A 1N2

(15) Document Prepared by:

Allan T. McCracken
114 Walton Street
Port Hope, Ontario
L1A 1N5

905-885-2451

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Fees and Tax

Registration Fee	60.00
Total	

Construction Lien Act, 1983

CLAIM FOR LIEN
Under Section 34 of the Act

Name of Lien Claimant: J. Hawkins Construction

Address for Service: 18 Durham Street, Port Hope, ON, L1A 1G7

Name of owner: ~~Leo Powell~~ 284611 Ontario Limited

Address: 81 Walton Street, Port Hope, Ontario, L1A 1N2

Name of person to whom lien claimant supplied services or materials: Leo Powell

Address: 81 Walton Street, Port Hope, Ontario, L1A 1N2

Time within which services or materials were supplied:

from July 18, 2005 to August 2, 2005
(date supply commenced) (date of most recent supply)

Short description of services or materials that have been supplied:

Supply and install materials for building renovations

Contract price or subcontract price: \$ 20043.57

Amount claimed as owing in respect of services or materials that have been supplied: \$ 15,043.56

(Use A where the lien attaches to the premises; use B where the lien does not attach to the premises).


(If claimant is personal representative or assignee this must be stated)*

A. The lien claimant* claims a lien against the interest of every person identified above as an owner of the premises described in Schedule A to this claim for lien.

B. The lien claimant* claims a charge against the holdbacks required to be retained under the Act and any additional amount owed by a payer to the contractor or to any subcontractor whose contract or subcontract was in whole or in part performed by the services or materials that have been supplied by the lien claimant in relation to the premises at:

(address or other identification of the location of the premises)

Date: Sept 13/05


(signature of claimant or agent)

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the Town of Port Hope, in the County of Durham, being composed of parts of Lots Numbers Fifty-four and Fifty-five in the Town Plot of Port Hope fronting on the south side of Walton Street known as "Queen's Hotel", and more particularly described as follows:

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Document General

Form 4 — Land Registration Reform Act

D

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">FOR OFFICE USE ONLY</p> <p style="text-align: center; font-size: 24px; font-weight: bold;">0367206</p> <p style="text-align: center; font-size: 12px;">CERTIFICATE OF REGISTRATION NORTHUMBERLAND (99) COBOURG</p> <p style="text-align: center; font-size: 18px; font-weight: bold;">2005 OCT 24 PM 1 35</p> <p style="text-align: center; font-size: 14px; font-style: italic;">Bachmann <i>[Signature]</i></p> <p style="text-align: center; font-size: 10px;">LAND REGISTRAR</p>	<p>(1) Registry <input checked="" type="checkbox"/> Land Titles <input type="checkbox"/> (2) Page 1 of 4 pages</p>
	<p>(3) Property Identifier(s) Block Property</p>
	<p>(4) Nature of Document</p> <p style="text-align: center;">Certificate of Action</p>
	<p>(5) Consideration</p> <p>Fifteen Thousand and Forty-three dollars -----56/100 Dollars \$ 15,043.56</p>
	<p>(6) Description</p> <p>Part of Lots 54 and 55 in the Plot Town of Port Hope, Stewart Plan County of Northumberland fronting on the southside of Walton Street more particularly described in attached Schedule.</p>
	<p>(7) This Document Contains: (a) Redescription New Easement Plan/Sketch <input type="checkbox"/> (b) Schedule for: Description <input type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input type="checkbox"/></p>

(8) This Document provides as follows:

See Certificate of Action attached.

Continued on Schedule

(9) This Document relates to instrument number(s) 0365400

<p>(10) Party(ies) (Set out Status or Interest)</p> <p>Name(s) Signature(s)</p> <p>J. Hawkins Construction</p>	<p><i>[Signature]</i></p> <p>Jim Hawkins, President I have authority to bind the Corporation.</p>	<p>Date of Signature</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Y</td> <td style="text-align: center;">M</td> <td style="text-align: center;">D</td> </tr> <tr> <td style="text-align: center;">2005</td> <td style="text-align: center;">10</td> <td style="text-align: center;">21</td> </tr> </table>	Y	M	D	2005	10	21
Y	M	D						
2005	10	21						

(11) Address for Service 18 Durham Street, Port Hope, Ontario, L1A 1G7

<p>(12) Party(ies) (Set out Status or Interest)</p> <p>Name(s) Signature(s)</p> <p>284611 Ontario Limited</p>	<p><i>[Signature]</i></p>	<p>Date of Signature</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Y</td> <td style="text-align: center;">M</td> <td style="text-align: center;">D</td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> </tr> </table>	Y	M	D			
Y	M	D						

(13) Address for Service 81 Walton Street, Port Hope, Ontario, L1A 1N2

<p>(14) Municipal Address of Property</p> <p>81 Walton Street Port Hope, Ontario L1A 1N2</p>	<p>(15) Document Prepared by:</p> <p>Allan T. McCracken 114 Walton Street Port Hope, Ontario L1A 1N5</p> <p>905-885-2451</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: right;">Fees and Tax</th> </tr> <tr> <td style="width:50%;">Registration Fee</td> <td style="text-align: center;">60</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td>Total</td> <td> </td> </tr> </table>	Fees and Tax		Registration Fee	60			Total	
Fees and Tax										
Registration Fee	60									
Total										

2

Court File No. 134/05

SUPERIOR COURT OF ONTARIO

BETWEEN:

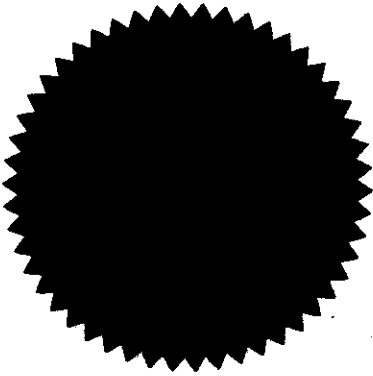
J. HAWKINS CONSTRUCTION

Plaintiff

- and -

284611 ONTARIO LIMITED

Defendant



CERTIFICATE OF ACTION

I certify that an action has been commenced in the Superior Court of Justice under the *Construction Lien Act*, 1990 between the above parties in respect of the premises described in Schedule A to this certificate, and relating to the claim(s) for lien bearing the following registration numbers: 0365400

Date: October 19, 2005

Local Registrar
860 William St.
Cobourg, Ontario
K9A 3A9

Construction Lien Act, 1983

SCHEDULE A

Description of Premises:

(The description of the premises must be the same as in the statement of claim, and must be sufficient for registration under the Land Titles Act or Registry Act, as the case may be).

Part of Lots 54 and 55
in the Plot Town of Port Hope
County of Northumberland
fronting on the southside of Walton Street
Stewart Plan
more particularly described by metes and bounds
on schedule attached.

SCHEDULE "A"

4

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the Town of Port Hope, in the County of Durham, being composed of parts of Lots Numbers Fifty-four and Fifty-five in the Town Plot of Port Hope fronting on the south side of Walton Street known as "Queen's Hotel", and more particularly described as follows:

COMMENCING at the point of intersection of the said southerly limit of Walton Street with the easterly limit of John Street of said Town of Port Hope;

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Properties

PIN 51073 - 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE AS IN PH40288; S/T EXECUTION 01-0000150, IF ENFORCEABLE; S/T EXECUTION 01-0000151, IF ENFORCEABLE; S/T EXECUTION 04-0000201, IF ENFORCEABLE; S/T EXECUTION 05-0000166, IF ENFORCEABLE; S/T EXECUTION 05-0000167, IF ENFORCEABLE; PORT HOPE
Address 00081 WALTON ST
 PORT HOPE

Claimant(s)

Name HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE
Address for Service Canada Revenue Agency
 11 Station Street
 Belleville, Ontario
 K8N 2S3

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

This document is being authorized by a representative of the Crown.

Statements

Schedule: See Schedules

Signed By

Fred Terych 11 Station Street acting for Applicant(s) Signed 2006 11 08
 Belleville K8N 2S3
 Tel 6133912667
 Fax 6139697188

Submitted By

CANADA REVENUE AGENCY 11 Station Street 2006 11 08
 Belleville K8N 2S3
 Tel 6133912667
 Fax 6139697188

Fees/Taxes/Payment

Statutory Registration Fee \$60.00
Total Paid \$60.00

File Number

Claimant Client File Number : ITA962506

NOTICE OF LIEN PURSUANT TO SUBSECTION 223(5) AND (6) OF THE
INCOME TAX ACT

CONSIDERATION:\$26,376.77

WHEREAS pursuant to subsection 223(2) and (3) of the Income Tax Act, any amount payable or any part of the amount payable by a tax debtor (the "amount") and that amount remains unpaid the amount may be certified by the Minister of National Revenue and registered in the Federal Court of Canada (the "Court") at which point the certificate is deemed to be a judgment against the tax debtor;

WHEREAS pursuant to subsection 223(5) and (6) of the Income Tax Act, a document which the Court has issued, and which evidences a certificate of that Court upon registration on title or otherwise recorded creates a charge, lien or priority on, or a binding interest in property that the tax debtor holds;

AND WHEREAS 284611 ONTARIO LIMITED (SOMETIME CARRYING ON BUSINESS AS THE WALTON HOTEL)

is indebted to the Minister of National Revenue for income taxes and other amounts totalling \$26,376.77 at the date of issuance of the Certificate in Court File Number ITA-9625-06 by the Court, together with interest at such rate or rates as determined from time to time by Section 161 of the Income Tax Act;

AND WHEREAS 284611 ONTARIO LIMITED (SOMETIME CARRYING ON BUSINESS AS THE WALTON HOTEL) has an interest in the lands described in this notice.

NOW THEREFORE TAKE NOTICE that HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE claims a lien and charge against the interest of 284611 ONTARIO LIMITED (SOMETIME CARRYING ON BUSINESS AS THE WALTON HOTEL) in the lands described in this notice.

Such lien charges have priority over all encumbrances or claims registered or attaching to the subject property subsequent to the registration of this notice.

Properties

PIN 51073 - 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE AS IN PH40288; S/T EXECUTION 01-0000150, IF ENFORCEABLE; S/T EXECUTION 01-0000151, IF ENFORCEABLE; S/T EXECUTION 04-0000201, IF ENFORCEABLE; S/T EXECUTION 05-0000166, IF ENFORCEABLE; S/T EXECUTION 05-0000167, IF ENFORCEABLE; PORT HOPE
Address 00081 WALTON ST
 PORT HOPE

Claimant(s)

Name HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE
Address for Service Canada Revenue Agency
 11 Station Street
 Belleville, Ontario
 K8N 2S3

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

This document is being authorized by a representative of the Crown.

Statements

Schedule: See Schedules

Signed By

Fred Terych 11 Station Street acting for Applicant(s) Signed 2006 11 22
 Belleville K8N 2S3
 Tel 6133912667
 Fax 6139697188

Submitted By

CANADA REVENUE AGENCY 11 Station Street 2006 11 22
 Belleville K8N 2S3
 Tel 6133912667
 Fax 6139697188

Fees/Taxes/Payment

Statutory Registration Fee \$60.00
Total Paid \$60.00

File Number

Claimant Client File Number : GST494406

NOTICE OF LIEN PURSUANT TO SUBSECTION 316 (4) AND (5)
OF THE EXCISE TAX ACT

CONSIDERATION: \$16,604.76

WHEREAS pursuant to subsection 316 (1) and (2) of the Excise Tax Act, any amount payable or any part of the amount payable by a tax debtor (the "amount") and that amount remains unpaid the amount may be certified by the Minister of National Revenue and registered in the Federal Court of Canada (the "Court") at which point the certificate is deemed to be a judgment against the tax debtor;

WHEREAS pursuant to subsection 316 (4) and (5) of the Excise Tax Act, a document which the Court has issued, and which evidences a certificate of that Court upon registration on title or otherwise recorded creates a charge, lien or priority on, or a binding interest in property that the tax debtor holds;

AND WHEREAS 284611 ONTARIO LIMITED is indebted to the Minister of National Revenue for Goods and Services tax and other amounts as set out in this notice at the date of issuance of the Certificate in Court File Number GST-4944-06 by the Court, together with interest at such rate or rates as determined from time to time by Section 280 of the Excise Tax Act;

AND WHEREAS 284611 ONTARIO LIMITED has an interest in the lands described in this notice.

NOW THEREFORE TAKE NOTICE that HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE claims a lien and charge against the interest of 284611 ONTARIO LIMITED in the lands described in this notice.

Notwithstanding the date of registration of this lien, a portion of the lien takes priority over all other encumbrances except those that fall within the definition of "prescribed security interest" in Regulation 2201 of the Income Tax Act. This priority is claimed pursuant to subsections 227(4) and (4.1) of the Income Tax Act, and/or section 222 of the Excise Tax Act.

Properties

PIN 51073 - 0050 LT *Interest/Estate* Fee Simple Redescription
Description PT TOWN PLOT LT 54 PLAN STEWART; PT TOWN PLOT LT 55 PL STEWART, NOW
 PARTS 1 AND 2, PLAN 39R-11490; PORT HOPE
Address 00081 WALTON ST
 PORT HOPE

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 1713515 ONTARIO LIMITED
Address for Service 140 Sixth Line,
 R.R. # 1,
 FRASERVILLE, Ontario,
 K0L 1V0.

I, RONALD CHRISTOPHER, President and KATE KATHLEEN KELLY, Secretary-Treasurer, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)

<i>Name</i>	<i>Capacity</i>	<i>Share</i>
<i>Name</i> CROMBEE CONSTRUCTION LTD.	Registered Owner	as to an undivided 50% interest
<i>Address for Service</i> 2145 Avenue Road, TORONTO, Ontario, M2M 4B2.		
<i>Name</i> LYNWILL REAL ESTATE CORPORATION	Registered Owner	as to an undivided 12.50% interest
<i>Address for Service</i> 14993 Yonge Street, Suite 201, AURORA, Ontario, L4G 1M5.		
<i>Name</i> SWARTZ, MICHAEL	Trustee	as to an undivided 12.50% interest
<i>Address for Service</i> 401 Bay Street, Box 37, Suite 2500, TORONTO, Ontario, M5H 2Y4.		
<i>Name</i> 1522648 ONTARIO INC.	Registered Owner	as to an undivided 12.50% interest
<i>Address for Service</i> 85 Church Street, Unit 15, MISSISSAUGA, Ontario, L5M 1M6.		
<i>Name</i> B2B TRUST	Trustee	as to an undivided 6.25% interest
<i>Address for Service</i> 130 Adelaide Street West, Suite 404, TORONTO, Ontario, M5H 3P5. Re: SDRSP 8205509 Susan Michaels		
<i>Name</i> B2B TRUST	Trustee	as to an undivided 6.25% interest
<i>Address for Service</i> 130 Adelaide Street West, Suite 404, TORONTO, Ontario, M5H 3P5. Re: SDRSP 8025394 Lucian Michaels		

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$830,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	2008/04/10		
<i>Interest Rate</i>	Eleven (11%) per cent per annum		
<i>Payments</i>	\$7,608.33		
<i>Interest Adjustment Date</i>	2007 04 10		
<i>Payment Date</i>	10th day of each and every month		
<i>First Payment Date</i>	2007 05 10		
<i>Last Payment Date</i>	2008 04 10		
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>	Ronald Christopher and Kate Kathleen Kelly		

Additional Provisions

See schedule attached for additional provisions

Signed By

Lorraine Marion Young	201-1450 Hopkins St. Whitby L1N 2C3	acting for Chargor (s)	Signed	2007 04 11
Tel	9056657711			
Fax	9054309100			

Submitted By

MICHAELS & MICHAELS	201-1450 Hopkins St. Whitby L1N 2C3	2007 04 11
Tel	9056657711	
Fax	9054309100	

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$60.00
<i>Total Paid</i>	\$60.00

File Number

Chargee Client File Number : 16078

ADDITIONAL PROVISIONS

to the Charge/Mortgage of Land made between 1713515 ONTARIO LIMITED as Chargor, and CROMBEE CONSTRUCTION LTD., as to an undivided 50% interest, LYNWILL REAL ESTATE CORPORATION, as to an undivided 12.50% interest, MICHAEL SWARTZ, IN TRUST, as to an undivided 12.50% interest, 1522648 ONTARIO INC., as to an undivided 12.50% interest, B2B TRUST (in trust for SDRSP 8205509 Susan Michaels), as to an undivided 6.25% interest and B2B TRUST, (in trust for SDRSP 8205394 Lucian Michaels) as to an undivided 6.25% interest, as Chargee

ARTICLE 1 - INTERPRETATION

1.01 In this Charge, unless there is something in the subject matter or text inconsistent with the following:

"Authority" means the municipal, regional, provincial and federal governments including, without limitation, their agencies, authorities, branches or departments having or claiming jurisdiction over the Property or any part thereof or over the operations of the Chargor. Any reference to the term "Authority" shall include the insurance companies writing the insurance policies covering the Property and the Insurance Bureau of Canada or any other body hereafter constituted exercising similar functions unless there is something in the context inconsistent therewith;

"Chargee" means CROMBEE CONSTRUCTION LTD., as to an undivided 50% interest, LYNWILL REAL ESTATE CORPORATION, as to an undivided 12.50% interest, MICHAEL SWARTZ, IN TRUST, as to an undivided 12.50% interest, 1522648 ONTARIO INC., as to an undivided 12.50% interest, B2B TRUST (in trust for SDRSP 8205509 Susan Michaels), as to an undivided 6.25% interest and B2B TRUST, (in trust for SDRSP 8205394 Lucian Michaels) as to an undivided 6.25% interest, their respective, heirs, executors, administrators and assigns;

"Chargor" means 1713515 ONTARIO LIMITED, its successors and assigns;

"Commitment Letter" means a mortgage commitment issued by Regional Financial Services Limited on behalf of the Chargees, dated February 23, 2007, setting out the terms of the loan secured by this Charge, as it may be amended from time to time.

"Improvements" means all structures, fixtures, facilities and improvements now or hereafter erected or located on the Land and all fixed machinery, plant, equipment, apparatus and fittings and other fixtures incorporated, or now or hereafter erected or located on the Land, which shall for the purposes of this Charge be fixtures and form part of the security;

"Land" means the lands and premises described in the Charge/Mortgage of Land to which this schedule is attached;

"Principal Sum" means the principal sum of EIGHT HUNDRED AND THIRTY THOUSAND (\$830,000.00) DOLLARS secured by this Charge;

"Property" means collectively the Land and Improvements;

"Taxes" means all taxes, rates and assessments, municipal, local, parliamentary or otherwise, which now are or may hereafter be imposed, charged or levied upon the Property;

ARTICLE 2 - SECURITY AND PAYMENT

2.01 CHARGE

For valuable consideration, the receipt and sufficiency whereof is hereby by the Chargor acknowledged, and to secure the due payment of monies hereunder, the Chargor does hereby grant, mortgage and charge unto the Chargee, their respective heirs, executors, administrators, successors and assigns forever, all the right, title and interest of the Chargor, both present and future, in and to:

- (a) the Property; and
- (b) all other, further or additional title, estate, interest or right which may at any time be acquired by the Chargor in or to the Property.

In this Charge, the grants, mortgages and charges constituted hereby are called the "Security".

TO HAVE AND TO HOLD the Property unto the Chargee, their respective heirs, executors, administrators, successors and assign forever, but subject to the terms and conditions herein set forth.

2.02 PRINCIPAL SUM

The Principal Sum which is secured by this Charge is EIGHT HUNDRED AND THIRTY THOUSAND (\$830,000.00) DOLLARS which monies will be advanced by the Chargee in accordance with the Commitment Letter.

2.03 INTEREST RATE ON ADVANCED MONIES

The rate of interest chargeable upon the advanced principal monies from time to time shall be calculated and compounded monthly, not in advance, as well after as before maturity of this Charge and as well after as before default and as well after as before judgment, with interest on overdue interest as hereinafter set out, at the rate of ELEVEN per centum (11%) per annum.

2.04 INTEREST RATE ON UNADVANCED MONIES -- Intentionally deleted

2.05 CALCULATION AND PAYMENT OF INTEREST

Provided always that if:

(a) The Chargor shall pay or cause to be paid unto the Chargee, without any deduction or abatement whatsoever, the full Principal Sum of EIGHT HUNDRED AND THIRTY THOUSAND (\$830,000.00) DOLLARS together with interest thereon in the manner and on the days and times as follows:

i) interest calculated and compounded at the rate prescribed in Section 2.03 shall become due and payable on the 10th day of each and every month; the first payment of interest to be computed from the 10th day of April, 2007 upon the whole amount of principal hereby secured, to become due and payable on the 10th day of May, 2007;

ii) the balance of the said Principal Sum to become due and payable on the 10th day of April, 2008.

(b) The Chargor shall pay or cause to be paid all such other sums as the Chargee may be entitled to receive by virtue of this Charge, and taxes and performance of statute labour;

(c) The Chargor shall observe and perform all of the covenants, agreements and conditions herein contained;

then this Charge and everything herein shall be absolutely null and void.

2.06 PREPAYMENT

PROVIDED that the Chargor, when not in default, shall have the privilege of prepaying the whole or any part of the principal monies hereby secured, at any time or times, after October 10, 2007, upon payment of one month's interest bonus on the principal amount prepaid.

ARTICLE 3 - INSURANCE

3.01 In addition to the insurance provided for under the Standard Charge Terms, the Chargor, in accordance with the provisions of this paragraph, shall maintain insurance against the perils therein described on all chattels used on, in or about the Property and shall maintain boiler and machinery insurance and such other insurance as may be reasonably required by the Chargee including loss of rental income insurance on a 100% basis. The fire insurance on the buildings and chattels on the Property shall contain a standard extended coverage endorsement to full one hundred percent (100%) replacement cost or the full insurable value, whichever shall be the greater, but in no event less than the principal amount secured by this Charge and shall contain the standard mortgage endorsement clause (IBC 3000). All policies must allow for partial occupancy. The Chargor shall also maintain comprehensive general liability insurance against claims for personal injury, death or property damage suffered by others upon, in or about the Property and the adjoining streets and passageways by reason of the use or ownership by the Chargor of the Property with such exclusions and to such inclusive limited of not less than a minimum of Two Million (\$2,000,000.00) Dollars with respect to each occurrence (with or without a retained limit) as will reasonably protect the Chargor and the Chargee against such loss or damage or to such greater limits as the Chargee may reasonably be required from time to time. No insurance may be subject to a co-insurance clause.

3.02 The Chargor shall provide at such further time or times as requested by the Chargee written evidence of the existence and continuation of the insurance as required by this Charge.

3.03 In the event the Chargee receives notice of cancellation of insurance, the chargee shall be entitled to replace the insurance and add the cost thereof, together with an administration fee of \$250.00 to the principal monies outstanding under this Charge.

3.04 In addition to the insurance which the Chargor is required to maintain pursuant to Section 3.01 the Chargee shall be entitled to require coverage from time to time with respect to the Property for such other risks and perils and in such form or forms of insurance as may be reasonable and prudent for the Chargor to maintain at such time.

3.05 The Chargee acknowledges that it is intended that the building on the Land is being fully renovated and reconstructed and the insurance contemplated by this Section is a builder's all-risk insurance which shall be maintained by the Chargor at all times without interruption during the development and construction of the Land and this Section shall be deemed to be amended accordingly.

3.06 The Chargor, upon demand, will transfer all policies of insurance effected upon the Improvements (with the mortgage clause in a form approved by the Chargee attached), and the indemnity which may become due therefrom, to the Chargee and the Chargee shall have a lien for its mortgage debt on all insurance on the Improvements and may elect to have these insurance monies applied in reinstatement or towards payment of monies secured hereby whether due or not but shall not be bound to accept the said monies in payment of any principal not yet due.

ARTICLE 4 - EVENTS OF DEFAULT

4.01 EVENT OF DEFAULT

In this Charge, "Event of Default" means each and every one of the following events:

(a) **PRINCIPAL OR INTEREST** - If the Chargor defaults in payment of the Principal Sum or interest or any other monies (if any) payable under this Charge, or any portion thereof, when the same becomes due under the provisions of this Charge; or

(b) **TAXES OR LIENS** - If the Chargor (i) defaults in payment of Taxes (except when the validity thereof is, in good faith, contested by the Chargor and it has given security for payment thereof in full) and any such default continues either for a period of thirty (30) days or for such shorter period as would at any time, if continued, render the Property, or any portion thereof, liable to forfeiture or (ii) fails to observe and perform any of the covenants or requirements in or affecting any lease, licence, concession or agreement whereby any property or right of the Chargor forming part of the Property may become liable to forfeiture, suspension or revocation and any such default continues for a period of ten (10) days or (iii) shall permit any sum which has been admitted as due by the Chargor or is not disputed to be so due by it and which is capable of being made a lien or charge on the Property in priority to this Charge to remain unpaid for a period of ten (10) days; or

(c) **REPRESENTATION OR WARRANTY** - If any representation or warranty contained in this Charge or in any certificate furnished pursuant to this Charge shall be false in a material manner or intentionally misleading as at the time made; or

(d) **WINDING-UP OR AMALGAMATION** - If an order is made or an effective resolution is passed for the winding-up of the Chargor or if there is any reorganization of the Chargor or any consolidation, merger or amalgamation of the Chargor with any other company or companies, without obtaining the prior written consent of the Chargee which consent shall not be unreasonably or arbitrarily withheld or delayed; or

(e) **BANKRUPTCY** - If the Chargor shall make an assignment for the benefit of its creditors; or if the Chargor shall be declared bankrupt; or if the Chargor shall make an authorized assignment; or if a custodian or receiver (or receiver and manager) of the Chargor shall be appointed under the Bankruptcy and Insolvency Act (Canada) or by any lender pursuant to a security agreement with the Chargor; or if a compromise or arrangement is proposed by the Chargor or its creditors or any class of its creditors or otherwise; or if the Chargor ceases or threatens to cease to carry on its business; or if the Chargor commits any act of bankruptcy; or

(f) **DISTRESS OR EXECUTION** - If a distress or execution or any other process of the court becomes enforceable against the Chargor or the Property or any part thereof and shall remain unsatisfied for a period of ten (10) days (unless such distress or execution is in good faith disputed by the Chargor in which event the Chargor shall provide to the Chargee security which, in the opinion of the Chargee, is sufficient to pay the full amount claimed in the event that it shall be held to be a valid claim) or if an encumbrancer takes possession of the Property or any part thereof; or

(g) **OTHER SECURITY** - If any breach of any warranty, representation, covenant or agreement occurs pursuant to any other security received by the Chargee and such breach continues unremedied after ten (10) days written notice is given by the Chargee to the Chargor of such breach; or

(h) **SALE OF PROPERTY** - If the Chargor removes, sells, destroys or otherwise disposes of by conveyance, transfer, or otherwise, or authorizes or permits to be removed, sold, destroyed or otherwise disposed of, any of the Property without the prior written consent of the Chargee; or

(i) **CHANGE OF CONTROL** - If there is any transfer or issue by sale, assignment, bequest, operation of law or other disposition, or by subscription, of all or any part of the shares of the Chargor or of any parent corporation of the Chargor which results in the effective voting control of the Chargor being vested in any person other than the person holding such effective voting control at the date of this Charge, provided that

nothing herein shall prevent the transfer of effective voting control of the Chargor to any person which is a related person of the Chargor, as that term is defined in the Business Corporations Act (Ontario); or

(j) **COVENANT OR CONDITION** - If the Chargor defaults in observing or performing any covenant or condition herein (other than as specifically provided in any other paragraph of this Section 4.01) and, after notice in writing has been given by the Chargee to the Chargor specifying in reasonable detail such default and requiring the Chargor to remedy the same, the Chargor fails to make good such default within a period of ten (10) days; or

(k) **PRIOR ENCUMBRANCES - SALE OR FORECLOSURE PROCEEDINGS** - If the holder of any charge, mortgage or other encumbrance on the Land or any part thereof having priority to this Charge commences foreclosure or sale proceedings as a result of a default under such charge, mortgage or other encumbrance, including the exercise of a contractual right of power of sale contained in such charge, mortgage or other encumbrance.

ARTICLE 5 - REMEDIES IN CASE OF DEFAULT

5.01 PRINCIPAL SUM AND INTEREST PAYABLE

The Chargor hereby covenants and agrees with the Chargee that upon the occurrence of an Event of Default, the Chargee, in its discretion and in addition to any remedy set forth or invoked pursuant to this Article, may declare the Principal Sum, together with interest and other monies (if any) owing hereunder, to be due and payable and the same shall forthwith become immediately due and payable to the Chargee on demand and the Chargor shall pay forthwith to the Chargee on demand the Principal Sum and interest then accrued hereunder and all other monies secured hereby and interest thereon, and interest upon overdue interest as herein provided until payment is received by the Chargee, and such payment when made shall be deemed to have been made on account of the monies due and owing under this Charge.

5.02 WAIVER

The Chargee, in writing, at any time or times, may waive an Event of Default after the occurrence thereof upon such terms and conditions as it shall prescribe; provided, however, that any such waiver shall apply only to the particular Event of Default waived and no act or omission by the Chargee with respect to the Property or the Chargor shall operate as a waiver of any other or future Event of Default.

5.03 CHARGEES RIGHTS UPON EVENT OF DEFAULT

Upon the occurrence of an Event of Default the Chargee, in its discretion may:

(a) **TAKE POSSESSION** - take possession of all or any part or parts of the Property with power to exclude the Chargor and its agents and servants therefrom; complete and/or preserve and maintain the Property and make such replacements thereto and additions thereto as it shall deem judicious; receive the rent, incomes and profits thereof of any kind whatsoever and pay therefrom all expenses of maintaining, preserving, protecting and operating the Property and all charges against the Property ranking in priority to this Charge or payment of which may be necessary to preserve or protect the Property, and pay out the remainder of the money so received, and not required for any of the purposes provided for in this Section; and enjoy and exercise all powers necessary to the performance of all functions provided for in this subsection, including but not in limitation thereof, the power to purchase on credit, borrow money in the Chargor's name, advance its own money at such rates of interest as shall be reasonable to enter into contracts and undertake obligations for the foregoing purposes upon the security thereof; provided that upon all Events of Default being made good or waived as herein provided, the Chargee shall restore the Property to the Chargor subject to the Charge created by this Charge as if no Event of Default has occurred; and/or

(b) **COMPLETE PROPERTY** - take all such steps as the Chargee may consider necessary or desirable for the purposes of completing the Property and/or any improvements or additions thereto as the Chargee may determine and for such purposes to enter into all such contracts and undertake all such obligations as the Chargee may determine, and to give security therefor upon the Property; provided that the Chargee shall not be under any obligation to complete any additions or improvements to the Property; and/or

(c) **RECEIVER APPOINTED BY COURT** - apply to a Court of competent jurisdiction for the appointment of a receiver, which term shall include a receiver and manager, to take possession of all or such part or parts of the Property as the Chargee shall designate with such duties, powers, and obligations as the Court making the appointment shall confer and the Chargor hereby consents to the appointment of such receiver or receiver and manager; and/or

(d) **RECEIVER** - at any time after the security hereby constituted becomes enforceable or the monies hereby secured have become payable, the Chargee may from time to time appoint by writing a Receiver, with or without Bond, and may from time to time remove the Receiver and appoint another in his stead, and any such Receiver appointed hereunder shall have the following powers:

(i) to take possession of the Property and to collect and get in the same and for such purpose to enter into and upon any lands, buildings and premises wheresoever and whatsoever and for such purpose to do any act and take any proceedings in the name of the Chargor or otherwise as he shall deem necessary;

(ii) to carry on or concur in carrying on the business of the Chargor, and to employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as he shall think proper, and to repair and keep in repair the Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Property of the Chargor;

(iii) to sell or lease or concur in selling or leasing any or all of the Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver and any such sale may be made from time to time as to the whole or any part or parts of the Property; and he may make any stipulations as to title or conveyance or commencement of title or otherwise which he shall deem proper; and he may buy or rescind or vary any contracts for the sale of any part of the Property and may resell the same; and he may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in his sole opinion to be most advantageous and at such prices as can reasonably be obtained therefor and in the event of a sale on credit neither he nor the Chargee shall be accountable for or charged with any monies until actually received;

(iv) to make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of this Charge and to exchange any part or parts of the Property for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;

(v) to borrow money to carry on the business of the Chargor and to charge the whole or any part of the Property in such amounts as the Receiver may from time to time deem necessary and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Property in priority to this Charge;

(vi) to execute and prosecute all suits, proceedings and actions which the Receiver in his opinion considers necessary for the proper protection of the Property to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceedings or action then pending or thereafter instituted and to appeal any suit, proceeding or action;

(vii) to execute and deliver to the purchaser of any part or parts of the Property good and sufficient transfer or transfers for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such transfer or transfers, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the Property or any part thereof by, from, through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided.

It is agreed that no purchaser at any sale purporting to be made in pursuance of the aforesaid power or powers shall be bound or concerned to see or inquire whether any default has been made or continued, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulations subject to which such sale shall have been made, or otherwise as to the propriety of such sale or regularity of its proceedings, or be affected by notice that no such default has been made or continues, or notice given as aforesaid, or that the sale is otherwise unnecessary, improper or irregular; and notwithstanding any impropriety or irregularity or notice thereof to such purchaser, the sale as regards such purchaser shall be deemed to be within the aforesaid power and be valid accordingly and the remedy (if any) of the Chargor, or of any party claiming by or under the Chargor, in respect of any impropriety or irregularity whatsoever in any such sale shall be in damages only.

The revenue of the business of the Chargor and the net proceeds of any sale of the Property or part or parts thereof shall be applied by the Receiver subject to the claims of any creditors ranking in priority to this Charge:

- (a) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by him;
- (b) Secondly, in payment of all costs, charges and expenses payable hereunder;
- (c) Thirdly, in payment to the Chargee of the principal sum owing hereunder;
- (d) Fourthly, in payment to the Chargee of all interest, arrears of interest and any other monies remaining unpaid hereunder;
- (e) The balance, if any, shall be paid to the Chargor provided that, in the event that any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.

The Chargee shall not be liable to the Receiver for his remuneration costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising unless the same shall be caused by his own negligence or wilful default; and he shall, when so appointed by notice in writing pursuant hereto, be deemed to be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and for his remuneration; and/or

(e) POWER OF SALE - on default of payment for at least fifteen (15) days and on at least thirty-five (35) days' notice in writing given to the Chargor, the Chargee may enter on and lease the Property or sell the

Property. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act (Ontario), as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that the manner of given such notice is not prescribed by law, such notice shall be given in the manner set out in this Charge; and such notice shall be sufficient although not addressed to any Person or Persons by name or designation; and notwithstanding that any Person to be affected thereby may be unknown, unascertained, or under disability. Provided further, that in case default be made in the payment of the Principal Sum or any part thereof and such default continues for two (2) months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such Persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the Property may be sold by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale under this Section may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Property or by reason of non-payment or procuring payment of monies, secured by this Charge or otherwise, and secondly in payment of all amounts of principal, interest and other monies owing under this Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid to the Chargor or as he may direct. The Chargee may sell the Property or any part or parts thereof on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall deem fit. In the case of a sale pursuant to which the Chargee takes back a mortgage in satisfaction of all or part of the sale price, the Chargee shall be accountable only for such monies as are actually received in payment of such vendor takeback mortgage. Any purchaser or lessee shall not be bound to see the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder; and/or

(f) **REALIZE SECURITY** - realize all or any part or part of the Security by any other means of any nature or kind whatsoever that a court of competent jurisdiction shall approve as being just and expedient in the circumstances having regard to the nature of the operations carried on in the Property, including any other action, suit, remedy or proceeding authorized or permitted by this Charge or by law or in equity, and not necessarily limited to those means of realization which the Court is given jurisdiction to approve by statute; and/or

(g) **ENFORCE COVENANTS** - take any action or proceeding to enforce the performance of any covenant contained in any of the Leases; and/or

(h) **OTHER REMEDIES** - take any action or proceedings permitted by law or equity to enforce payment of the Principal Sum and interest and other monies secured by this Charge or performance of any other covenant contained herein, or to enforce the Security, and to bring to sale the Property or any part or parts thereof under a judgment or decree of a court or courts of competent jurisdiction or by the enforcement of any other legal remedy which the Chargee shall deem most effectual to protect and enforce any of its rights hereunder.

5.04 SALE OR LEASE WITHOUT ENTRY

Provided that the Chargee may lease or sell as aforesaid without entering into possession of the Property.

5.05 REMEDIES CUMULATIVE

No remedy herein conferred upon or reserved to the Chargee is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute as modified herein. Without limiting the generality of the foregoing, the taking of judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the right of the Chargee to interest as provided hereunder and any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in this Charge until the judgment shall have been fully paid and satisfied.

5.06 CHARGE NOT LIABLE

Save and except as to claims at law or in equity to an accounting, the Chargee shall not, nor shall any receiver or receiver and manager appointed by it, be responsible or liable, otherwise than as a trustee, for any debts contracted by them, for damages to Persons or property, or for salaries or non-fulfilment of contracts during any period wherein the Chargee or such receiver, or receiver and manager, shall manage the Property or any part thereof upon or after entry, as herein provided, and the Chargee shall not be bound to do, observe or perform or to see to the observance or performance by the Chargor of any of the obligations herein imposed upon the Chargor, nor in any other way to supervise or interfere with the conduct of the Chargor's operation of the Property unless and until the occurrence of an Event of Default and the Chargee has declared the Principal Sum and interest thereon to be due and payable pursuant to Section 5.01 or shall be exercising any remedy provided in this Article or otherwise.

5.07 **JUDGMENT** - The Chargor covenants and agrees with the Chargee that, in the case of any judicial or other proceedings to enforce the Security, judgment may be rendered against the Chargor in favour of the Chargee for any amount which may remain due in respect of the Principal Sum, interest thereon and other monies (if any) owing under this Charge after the application to the payment thereof of the proceeds of any sale of the Property or any part thereof or any additional security therefore.

5.08 **FURTHER ASSURANCES** - In the event of any sale in accordance with the provisions of this Article, whether by the Chargee or under judicial proceedings, the Chargor agrees that it will execute and deliver to the purchaser on demand any instrument or assurance reasonably necessary to confirm to the purchaser the title of the Property so sold, and, in the case of any such sale, the Chargee is hereby irrevocably authorized by the Chargor to execute on its behalf any such confirmatory instrument or assurance.

5.09 **PAYMENT OF PRIOR ENCUMBRANCES** - The Chargee may pay the amount of any encumbrance, lien or charge now or hereafter existing or to arise or be claimed upon or against the Property, having priority or which may gain or claim priority over this Charge or over all or part of the debt secured hereby and in so doing may make payments to lien claimants and other Persons claiming an interest in the Property and payments into court. If the Chargee pays the amount of any such encumbrance, lien, or charge, either out of moneys advanced on this Security or otherwise, it shall be entitled to all the rights, equities and securities of the Person so paid and is hereby authorized to retain any discharge thereof, without registration, for a longer period than six (6) months if it thinks proper to do so.

ARTICLE 6 - LEASES - intentionally deleted

ARTICLE 7 - ADDITIONAL PROVISIONS

7.01 STANDARD CHARGE TERMS

The terms contained in this schedule are in addition to the terms contained in the Standard Charge Terms. In the event of any conflict between the terms contained in this schedule and those contained in the Standard Charge Terms, the terms contained in this schedule shall, to the extent of the conflict, prevail. If the Standard Charge Terms refer to a Guarantor, the term "Guarantor" shall include any party named anywhere in this Charge as a guarantor or covenantor.

7.02 RETURNED CHEQUES

In the event any payment made by the Chargor hereunder is returned by the Chargor's bank marked "N.S.F.", or otherwise, the Chargor shall pay to the Chargee an administration fee in the sum of \$200.00 for each cheque so returned. In addition, the Chargor shall pay the Chargee's solicitors legal costs with regard to any demand letters relating to such returned cheques. In the event that the Chargor fails to pay the said administration fees and/or legal costs, then same shall be added to the principal monies hereby secured, and interest shall be chargeable thereon at the rate herein provided.

7.03 NON-TRANSFERABLE

PROVIDED that in the event of the Chargor selling, conveying or transferring title to the property charged herein to a Purchaser, Grantee, Transferee or enter into any agreement or agreements for sale with respect to this property, or if there is any transfer or issue by sale, assignment, bequest, operation of law or other disposition, or by subscription, of all or any part of the shares of the Chargor or of any parent corporation of the Chargor which results in the effective voting control of the Chargor being vested in any person other than the person holding such effective voting control at the date of this Charge, then all monies hereby secured shall become due and payable together with any and all accrued interest thereon.

In the event that this property is sold, or this mortgage is paid in full prior to October 10, 2007, the Chargor shall be required to pay to the Chargee by way of a bonus, interest to and including October 10, 2007, together with any prepayment penalties provided for in this Charge.

7.04 RENEWAL

Any agreement for renewal or extension of the term of payment of the monies hereby secured, or any part thereof prior to the execution of the discharge of this charge by the Chargee need not be registered in any Registry Office but shall be effectual and binding on the Chargor, its successors and assigns, including any subsequent Chargee of the said lands, or any part thereof, to all intents and purposes, and take priority as against said assigns or subsequent chargee when deposited in, or held at the office of the Chargees' solicitors.

7.05 CONSTRUCTION LOAN

In the event that any of the monies advanced or to be advanced under this Charge are intended to finance any improvements to the lands, the following conditions shall apply:

(a) The Chargor covenants and agrees to comply with all provisions of the Construction Lien Act (Ontario), and amendments thereto.

(b) The Chargor acknowledges that the Chargee will hold back at least ten per cent (10%) of each construction advance for the statutory period pursuant to the Construction Lien Act (Ontario), and the Chargor further acknowledges that the Chargee will advance these holdback funds in its sole discretion to the Chargor after satisfying itself that the Chargor has complied with all of the provisions of the Construction Lien Act, (Ontario), which holdback monies will not be arbitrarily withheld from the Chargor.

(c) All construction on the Lands shall be carried out by reputable contractors having experience which is commensurate to the nature and size of the project to be constructed, which contractors must be prior approved by the Chargee in writing, such approval not to be unreasonably withheld.

(d) The renovations to the building and structures located on the Lands having been commenced shall be continued in a good and workmanlike manner, with all due diligence, and in accordance with the plans and specifications delivered to the Chargee and to the satisfaction of all governmental and regulatory authorities having jurisdiction.

(e) Provided that should construction on the project on the Lands cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the Chargor's control excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and statutory holidays excepted), then, at the option of the Chargee, this charge shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at it's sole option, to assume complete control of the construction of the said project in such manner and on such terms as the Chargee deems advisable. The cost of completion of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge.

(f) At all times there shall be sufficient funds unadvanced under this Charge and retained by the Chargee to complete the construction and/or renovation of the project on the Lands and as may be necessary to retain the Chargee's priority with respect to any deficiency in the holdbacks required to be retained by the Chargor under the Construction Lien Act (Ontario).

(g) This Charge will be advanced in stages as construction upon the Lands proceeds or as the conditions as enumerated by the Commitment Letter for this loan are complied with.

(h) All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Chargee with respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Chargor regardless of by whom such person has been retained. All such certificates shall, without limitation, certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction is in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Lands. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building.

(i) The Chargor shall pay to the Chargee on each occasion when an inspection of the Lands is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Chargee may charge from time to time for each such inspection and the Chargee's solicitors shall be paid their reasonable fees and disbursements for each subsearch and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Chargee shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder at law.

(j) The Chargor covenants and agrees that upon completion of the project to be erected on the Lands, to deliver as further security for the loan herein secured, a General Security Agreement covering the goods, equipment and chattels to be installed in the said building, and such General Security Agreement shall be in a form approved by the Chargee's solicitors.

(k) The Chargor further covenants with the Chargee to communicate to the Chargee, by verbal or written notice by the Chargor to the Chargee of the current financial status of the construction project as it pertains to the subject Lands. The Chargor further covenants to communicate to the Chargee the status of all and any financial accounts of any of the subtrades, suppliers, labourers and/or wage earners, at the request of the Chargee.

7.06 ADVANCE OF FUNDS

IT is understood and agreed that each of the Chargees have contributed the following principal amounts in accordance with their pro-rata share as follows:

Crombee Construction Ltd. - \$415,000.00 as to an undivided 50% interest
Lynwill Real Estate Corporation - \$103,750.00 as to an undivided 12.50% interest
Michael Swartz, In Trust - \$103,750.00 as to an undivided 12.50% interest
1522648 Ontario Inc. - \$103,750.00 as to an undivided 12.50% interest
B2B Trust (In Trust for SDRSP 8205509 Susan Michaels) - \$51,875.00 as to an undivided 6.25% interest
B2B Trust (In Trust for SDRSP 8205394 Lucian Michaels) - \$51,875.00 as to an undivided 6.25% interest

It is further acknowledged that the Chargees are each entitled to monthly payments under the charge herein in accordance with their pro-rated interests as aforesaid.

7.07 SURVIVAL OF COMMITMENT LETTER

The agreements, covenants, provisions and stipulations (in this section collectively referred to as "provisions") contained in the commitment letter dated February 23, 2007, issued by the Chargee or the Chargee's Agent and addressed to the Chargor setting out the terms of the loan secured by this Charge, as it may be amended from time to time (the "Commitment Letter") shall form an integral part of this Charge and all such provisions shall be deemed to be contained in this Charge and have the same force and effect as if they were fully set forth herein. To the extent that any provisions of the Commitment Letter conflict with any provision or provisions of this Charge, the Chargee shall resolve such conflicts, acting reasonably.

7.08 CHARGE NOT A CHARGE IN POSSESSION

It is agreed that the Chargee, in exercising any of its rights under this Charge, shall be deemed not to be a chargee in possession or a mortgagee in possession of the Property.

7.09 ENVIRONMENTAL COMPLIANCE

The Chargor expressly covenants and represents to the Chargee that the Lands and its existing prior uses comply and have at all times complied with all laws, regulations, orders, and approvals of all governmental authorities having jurisdiction with respect to environmental matters applicable to the ownership, use, maintenance, and operation of the Property (collectively the "Environmental Laws") and, without limiting the generality of the foregoing:

- (a) the Lands have never been used as a land fill site or to store hazardous substances either above or below ground, in storage tanks or otherwise;
- (b) all hazardous substances used in connection with the business conducted on the Lands have at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws;
- (c) no hazardous substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Lands as a result of the conduct of business on the Lands; and
- (d) no notices of any violation of any matters referred to above relating to the Lands or its use have been received by the Chargor and there are no directions, writs, injunctions, orders or judgments outstanding, no law suits, claims, proceedings, or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Lands nor is there any basis for such law suits, claims, proceedings or investigations being instituted or filed.

For the purposes of this Charge, a hazardous substance includes, but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials and hazardous substances as defined in or pursuant to the Environmental Protection Act or any applicable Environmental Law.

7.10 CROSS DEFAULT

The occurrence of an event of default under the provisions of this Charge, under any security document referred to in the Commitment Letter, any other charge or security document between the Chargor and the Chargee, including any document pursuant to which the Chargor is a Guarantor, shall be deemed to be an event of default under all such security documents and shall entitle the Chargee to pursue its remedies under any or all of the aforesaid security documents.

7.11 CHANGE OF USE

The Chargor shall not change or permit to be changed the use of the Lands charged herein without the prior written consent of the Chargee.

7.12 MANAGEMENT OF PROPERTY - intentionally deleted

7.13 ENFORCEMENT OF ADDITIONAL SECURITY

In the event that the Chargee, in addition to the lands and premises charged herein, holds or shall hold, in the future, further security on account of the monies hereby secured, it is agreed that no single or partial exercise of any of the Chargee's powers under this Charge or under any of such further security (this Charge and any such further security are hereinafter together referred to as the "Security"), shall preclude other and further exercise of any other right, power or remedy pursuant to the Security. The Chargee shall at all times have the right to proceed against all, any, or any portion of the Security in such order and in such a manner as the Chargee shall in the Chargee's sole and unfettered discretion, deem fit without waiving any rights which the Chargee may have with respect to the Security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining Security. Provided however, that upon payment of the full indebtedness secured hereunder

It is acknowledged that by way of additional security to the within Charge:

(a) Kate Kathleen Kelly has executed and delivered to the Chargee a charge against the lands and premises described as Part of Lot 2, Concession 4, in the Geographic Township of Emily, in the City of Kawartha Lakes, and municipally known as 1459 Mount Horeb Road, County Road 31, R.R. # 3, Omeme, Ontario; and

(b) Kate Kathleen Kelly has executed and delivered to the Chargee a charge against the lands and premises described as part of the East half of Lot 2, Concession 6, in the Township of Otonabee-South Monaghan (formerly Township of South Monaghan), County of Peterborough and municipally known as 140 Sixth Line, R.R. # 1, Fraserville, Ontario.

Provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end and the Chargor shall be entitled upon request, and at the expense of the Chargor, to a discharge of the within Charge and the Security.

7.14 CHARGOR'S RIGHT TO DEVELOP - INTENTIONALLY DELETED

7.15 CHARGE TO SIGN - INTENTIONALLY DELETED

7.15 OBSERVE LAWS

The Chargor shall observe and conform to all valid requirements of any Authority with respect to the Lands and without limitation will comply with all applicable building, zoning and other municipal by-laws, statutory requirements and regulations (save and except any such non-compliance which is, in good faith, contested by the Chargor with an Authority or other body having jurisdiction until the final disposition thereof against the Chargor); provided however, that a legal non-conforming use shall be deemed to be in compliance with all applicable building, zoning and other municipal by-laws, statutory requirements and regulations.

7.16 PAYMENT OF TAXES

The Chargor covenants with the Chargee that it will (i) pay or cause to be paid, promptly as they fall due, all Taxes and (ii) annually within thirty (30) days after the end of each calendar year will provide the Chargee with evidence satisfactory to it of payment thereof.

7.17 SEVERABILITY OF COVENANTS

If and to the extent that any covenant or condition in this Charge contained shall be void, voidable or unenforceable for any reason, it shall be severed from the remainder of the provisions hereof and such remainder shall remain in full force and effect notwithstanding such severance.

7.18 PAYMENTS BY CHARGE

If the Chargee is at any time or from time to time during the term of this Charge required to make a payment to defeat or honour the priority of a lien claimant, any such payment or payments, and the reasonable out-of-pocket expenses of the Chargee, including legal fees on a solicitor and his own client basis, shall be at once

payable by the Chargor and shall bear interest at the same rate calculated in the same manner as interest payable under this Charge.

7.19 SERVICING FEES

PROVIDED that should there be a request for preparation of statement(s) of account with respect to this Charge, the Chargor agrees to pay to the Chargee and/or its solicitors, their prevailing discharge and statement fees.

All servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the Principal Sum secured by this Charge and shall bear interest at the rate payable on Advanced Monies and the Charge shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

7.20 POST DATED CHEQUES

PROVIDED that once all advances under the mortgage have been disbursed, the Chargor shall provide the Chargee with a series of post-dated cheques, with regard to the payments falling due during the term of this mortgage. In the interim, and until such time as all advances under the mortgage have been disbursed, any interest due and owing under the mortgage shall, at the option of the Chargee, be deducted from each mortgage advance.

Properties

PIN 51073 – 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART
 PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 00081 WALTON ST
 PORT HOPE

Document to be Discharged

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
ND7579	2007 04 11	Charge/Mortgage

Discharging Party(s)

This discharge complies with the Planning Act. This discharge discharges the charge.

Name CROMBEE CONSTRUCTION LTD.
Address for Service 2145 Avenue Road,
 TORONTO, Ontario,
 M2M 4B2.

I, HARVEY KALLES, President, have the authority to bind the corporation.

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

The party giving this discharge is the original chargee and is the party entitled to give an effective discharge

Name SWARTZ, MICHAEL
Address for Service c/o 401 Bay Street,
 Box 37, Suite 2500,
 TORONTO, Ontario,
 M4H 2Y4.

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

The party giving this discharge is the original chargee and is the party entitled to give an effective discharge

Name 1522648 ONTARIO INC.
Address for Service 85 Church Street,
 Unit 15,
 MISSISSAUGA, Ontario,
 L5M 1M6.

I, INDRA NARINE, President, have the authority to bind the corporation.

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

The party giving this discharge is the original chargee and is the party entitled to give an effective discharge

Name B2B TRUST
Address for Service 130 Adelaide Street West,
 Suite 404,
 TORONTO, Ontario,
 M5H 2P5.
 Re: SDRSP 8205509 Susan Michaels

I, LINA NEVES, Senior Manager, Self-Directed Mortgages and MIRIAM GARCIA, Senior Administrator, Self-Directed Mortgages, have the authority to bind the corporation.

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

The party giving this discharge is the original chargee and is the party entitled to give an effective discharge

Name LYNWILL REAL ESTATE CORPORATION
Address for Service 4586 Sideroad 10 North,
 R.R. # 6,
 GUELPH, Ontario,
 N1H 6J3.

Discharging Party(s)

This discharge complies with the Planning Act. This discharge discharges the charge.

I, BEREND KOOPMANS, President, have the authority to bind the corporation.

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

The party giving this discharge is the original chargee and is the party entitled to give an effective discharge

Name B2B TRUST
Address for Service 130 Adelaide Street West,
Suite 404,
TORONTO, Ontario,
M5H 2P5.
Re: SDRSP 8205394 Lucian Michaels

I, LINA NEVES, Senior Manager, Self-Directed Mortgages and MIRIAM GARCIA, Senior Administrator, Self-Directed Mortgages, have the authority to bind the corporation.

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

The party giving this discharge is the original chargee and is the party entitled to give an effective discharge

Signed By

Lorraine Marion Young 201-1450 Hopkins St. acting for Signed 2009 01 20
Whitby Applicant(s)
L1N 2C3
Tel 9056657711
Fax 9054309100

Submitted By

MICHAELS & MICHAELS 201-1450 Hopkins St. 2009 01 20
Whitby
L1N 2C3
Tel 9056657711
Fax 9054309100

Fees/Taxes/Payment

Statutory Registration Fee \$60.00
Total Paid \$60.00

File Number

Discharging Party Client File Number : 16199

Properties

PIN 51073 – 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART
 PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 00081 WALTON ST
 PORT HOPE

Consideration

Consideration \$26,247.03

Claimant(s)

Name VOUT WELDING LTD.
Address for Service 291 Kent Street
 Cobourg, Ontario
 K9A 1B6

I, John Lowe, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, John Lowe, have the authority to bind the corporation.

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

Statements

Name and Address of Owner 1713515 ONTARIO LIMITED, 140 Sixth Line, R.R. # 1, Fraserville, ON K0L 1V0 Name and address of person to whom lien claimant supplied services or materials 1713515 ONTARIO LIMITED, 140 Sixth Line, R.R. # 1, Fraserville, ON K0L 1V0 Time within which services or materials were supplied from 2007/07/04 to 2007/10/04 Short description of services or materials that have been supplied supply and installation of structural steel Contract price or subcontract price \$49,123.41 inclusive of G.S.T. Amount claimed as owing in respect of services or materials that have been supplied \$26,247.03 inclusive of G.S.T.

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Devin Reginald Mitts P.O Box 397, Quinte Street acting for Signed 2007 11 14
 Trenton Applicant(s)
 K8V 5R6
 Tel 6139656430
 Fax 6139656400

Submitted By

GARRETT SIOUI P.O Box 397, Quinte Street 2007 11 14
 Trenton
 K8V 5R6
 Tel 6139656430
 Fax 6139656400

Fees/Taxes/Payment

Statutory Registration Fee \$60.00
Total Paid \$60.00

File Number

Claimant Client File Number : 31197

FOR OFFICE USE ONLY

ND 14099
CERTIFICATE OF RECAST
NORTHUMBERLAND (39) COBBOURG
 DEC 20 2007 13:12
Bushman Foye
LAND REGISTRAR

New Property Identifiers Additional: See Schedule

(1) Registry Land Titles (2) Page 1 of 4 pages

(3) Property Identifier(s) Block 51073 - Property 0050 (LT) Additional: See Schedule

(4) Nature of Document
CERTIFICATE OF ACTION

(5) Consideration
Dollars \$

(6) Description
**PT TOWN PLOT LT 54 PL STEWART PORT HOPE;
 PT TOWN PLOT LT 55 PL STEWART PORT HOPE
 PTS 1 & 2 39R11490; PORT HOPE.**

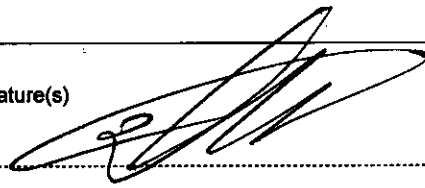
Executions Additional: See Schedule

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch (b) Schedule for: Description Additional Parties Other

(8) This Document provides as follows:
SEE CERTIFICATE OF ACTION DATED DECEMBER 20, 2007 ATTACHED HERETO.

Continued on Schedule

(9) This Document relates to instrument number(s)
ND13284

(10) Party(ies) (Set out Status or Interest)
 Name(s) Signature(s) Date of Signature
 Y M D
Devin R. Mitts  **2007 12 20**
Solicitor for the Plaintiff


(11) Address for Service
21 Quinte Street, P.O. Box 397, Trenton, Ontario K8V 5R6

(12) Party(ies) (Set out Status or Interest)
 Name(s) Signature(s) Date of Signature
 Y M D

(13) Address for Service

(14) Municipal Address of Property
**81 Walton Street
 Port Hope, Ontario**

(15) Document Prepared by:
**Devin R. Mitts
 FLEMING GARRETT SIOUI
 21 Quinte Street
 P. O. Box 397
 Trenton, Ontario
 K8V 5R6**

Fees and Tax	
Registration Fee	
Total	

Court File No.: 160/07

ONTARIO
SUPERIOR COURT OF JUSTICE

In the Matter of the *Construction Lien Act*,
R.S.O. 1990, c. C.30, as amended

BETWEEN

VOUT WELDING LTD.

Plaintiff

and

**1713515 ONTARIO LIMITED,
CROMBEE CONSTRUCTION LTD.,
LYNWILL REAL ESTATE CORPORATION,
MICHAEL SWARTZ AS TRUSTEE, 1522648 ONTARIO INC.,
And B2B TRUST AS TRUSTEE**

Defendants

CERTIFICATE OF ACTION

I certify that an action has been commenced in the Ontario Superior Court of Justice under the *Construction Lien Act* between the above parties in respect of the premises described in Schedule A to this certificate, and relating to the claim for lien bearing the following registration number:

- Instrument Number ND13284.

Date: December 20, 2007

Susan Hanner

Local Registrar

SCHEDULE 'A'

DESCRIPTION OF THE PREMISES:

PIN: 51073-0050 LT

PT TOWN PLOT LT 54 PL STEWART PORT HOPE;
PT TOWN PLOT LT 55 PL STEWART PORT HOPE
PTS 1 & 2 39R11490; PORT HOPE

Municipal Address: 81 Walton Street, Port Hope, Ontario

VOUT WELDING LTD.

and

1713515 ONTARIO LIMITED ET. AL.

Plaintiff

Defendants

Court File No.

/07

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at
COBOURG, Ontario

CERTIFICATE OF ACTION

FLEMING GARRETT SIOUI

Barristers and Solicitors

P. O. Box 397

21 Quinte Street

Trenton, Ontario

K8V 5R6

Devin R. Mitts

Solicitor # 46379J

Tel. (613) 965-6430

Fax (613) 965-6400.

Solicitors for the Petitioner

Properties

PIN 51073 – 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART
 PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 00081 WALTON ST
 PORT HOPE

Document to be Discharged

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
ND13284	2007 11 14	Construction Lien

Discharging Party(s)

The applicant applies to delete the selected lien and/or certificate of action.

Name VOUT WELDING LTD.
Address for Service 291 Kent Street
 Cobourg, ON K9A 1B6

I, John Lowe, have the authority to bind the corporation.

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

Statements

The lien claimant releases the lien claimed in the claim for lien as in registration number ND13284 registered on 2007/11/14 , and in respect to an improvement to the premises owned by 1713515 ONTARIO LIMITED and described in the PIN(s) identified.

The lien claimant, who is a party to the certificate of action, hereby consents to the release of the certificate of action registered as number ND14099 registered on 2007/12/20 .

There is no sheltering of another lien under Certificate of Action registered as number ND14099 registered on 2007/12/20 .

Signed By

Devin Reginald Mitts P.O Box 397, Quinte Street acting for Signed 2008 11 07
 Trenton Applicant(s)
 K8V 5R6

Tel 613-965-6430
 Fax 6139656400

Submitted By

GARRETT SIOUI P.O Box 397, Quinte Street 2008 11 07
 Trenton
 K8V 5R6

Tel 613-965-6430
 Fax 6139656400

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$60.00
<i>Total Paid</i>	\$60.00

File Number

Discharging Party Client File Number : 31197

Properties

PIN 51073 – 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART
 PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 81 WALTON ST
 PORT HOPE

Consideration

Consideration \$83,569.14

Claimant(s)

Name 938322 ONTARIO LIMITED
Address for Service 3390 Holt Road
 Bowmanville, Ontario L1C 3K4

I, Thomas James White, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, Thomas James White, have the authority to bind the corporation.

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

Statements

Name and Address of Owner 1713515 ONTARIO LIMITED, 140 Sixth Line R.R. # 1, Fraserville, ON K0K 1V0 Name and address of person to whom lien claimant supplied services or materials 1713515 ONTARIO LIMITED, 140 Sixth Line R.R. # 1, Fraserville, ON K0K 1V0 Time within which services or materials were supplied from 2007/01/06 to 2008/01/16 Short description of services or materials that have been supplied Demolish and clean out of site, fabricating of metal and replacement of roof Contract price or subcontract price 686,398.00 Amount claimed as owing in respect of services or materials that have been supplied 83,569.14

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Nancy Louise Anderson 53 Division Street acting for Signed 2008 01 16
 Oshawa Applicant(s)
 L1G 5L8
 Tel 905-571-2559
 Fax 9055792846

Submitted By

STEPHEN F. SHINE 53 Division Street 2008 01 18
 Oshawa
 L1G 5L8
 Tel 905-571-2559
 Fax 9055792846

Fees/Taxes/Payment

Statutory Registration Fee \$60.00
Total Paid \$60.00

Properties

PIN 51073 – 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART
 PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 00081 WALTON ST
 PORT HOPE

Party From(s)

Name 938322 ONTARIO LIMITED
Address for Service 938322 Ontario Limited cob KTPM
 Construction
 3390 Holt Road
 Bowmanville, Ontario L1C 3K4

I, Thomas James White, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name 1713515 ONTARIO LIMITED
Address for Service 140 Sixth Line
 R.R. # 1
 Fraserville, Ontario K0K 1V0

Name CROMBEE CONSTRUCTION LTD.
Address for Service 2145 Avenue Road
 Toronto, Ontario M2M 4B2

Name SWARTZ, MICHAEL
Address for Service 401 Bay Street
 Box 37, Suite 2500
 Toronto, Ontario M5H 2Y4

Name 1522648 ONTARIO INC
Address for Service 85 Church Street
 Unit 15
 Mississauga, Ontario L5M 1M6

Name B2B TRUST
Address for Service 130 Adelaide Street West
 Suite 404
 Toronto, Ontario M5H 3P5

Name LYNWILL REAL ESTATE CORPORATION
Address for Service 14993 Yonge Street
 Suite 201
 Aurora, Ontario L4G 1M5

Statements

Schedule: See Schedules

Signed By

Stephen Francis Shine 53 Division Street acting for Party Signed 2008 04 10
 Oshawa From(s)
 L1G 5L8

Tel 9055712559
 Fax 9055792846

Submitted By

STEPHEN F. SHINE PROFESSIONAL CORPORATION 53 Division Street
Oshawa
L1G 5L8

2008 04 10

Tel 9055712559

Fax 9055792846

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Party From Client File Number : 9349

Court File No. 43/08

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF THE *Construction Lien Act*,
R.S.O. 1990, c. C.30

BETWEEN:

938322 ONTARIO LIMITED c.o.b. as KTPM Construction

Plaintiff

-and-

1713515 ONTARIO LIMITED, CROMBEE CONSTRUCTION LTD.,
MICHAEL SWARTZ, 1522648 ONTARIO INC., B2B TRUST,
and LYNWILL REAL ESTATE CORPORATION

Defendants

CERTIFICATE OF ACTION

I certify that an action has been commenced in the Superior Court of Justice under the Construction Lien Act, R.S.O. 1990 between the above parties in respect of the premises described in Schedule A to this certificate, and relating to the claim for lien bearing the following registration number: **ND14495**

Date: April 9, 2008


(Registrar or Local Registrar)

Schedule "A"

PIN 51073 – 0050 LT

Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT
55 PL STEWART PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.

Address 81 WALTON ST
PORT HOPE

538322 Ontario Limited c.o.b. as KTPM Construction
Plaintiff

1713515 Ontario Limited et al
Defendants

v.

Court File No.

43/08

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at
COBOURG, Ontario

CERTIFICATE OF ACTION

STEPHEN F. SHINE
Professional Corporation
Barrister & Solicitor
53 Division Street
Oshawa, ON L1G 5L8

LSUC #21125G
(905) 571-2559 Tel.
(905) 579-2846 Fax.

Solicitor for the PLAINTIFF

Properties

PIN 51073 – 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 00081 WALTON ST
 PORT HOPE

Document to be Discharged

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
ND14495	2008 01 18	Construction Lien

Discharging Party(s)

The applicant applies to delete the selected lien and/or certificate of action.

Name 938322 ONTARIO LIMITED
Address for Service 3390 Holt Road
 Bowmanville, Ontario L1C 3K4

I, Thomas James White, have the authority to bind the corporation.

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

Document(s) to be Deleted

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
ND15977	2008/04/10	Certificate

Statements

The lien claimant releases the lien claimed in the claim for lien as in registration number ND14495 registered on 2008/01/18 , and in respect to an improvement to the premises owned by 1713515 Ontario Limited and described in the PIN(s) identified.

The lien claimant, who is a party to the certificate of action, hereby consents to the release of the certificate of action registered as number ND15977 registered on 2008/04/10 .

There is no sheltering of another lien under Certificate of Action registered as number ND15977 registered on 2008/04/10 .

Signed By

Stephen Francis Shine 53 Division Street acting for Signed 2008 11 06
 Oshawa Applicant(s)
 L1G 5L8

Tel 9055712559
 Fax 9055792846

Submitted By

STEPHEN F. SHINE PROFESSIONAL CORPORATION 53 Division Street 2008 11 07
 Oshawa
 L1G 5L8

Tel 9055712559
 Fax 9055792846

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$60.00
<i>Total Paid</i>	\$60.00

File Number

Discharging Party Client File Number : 9349

ND 15169

1 of 3

Construction Lien Act

CLAIM FOR LIEN Under Section 34 of the Act

Name of Lien Claimant: **Piccini Architect**
Attention: Mr. C. L. Reno Piccini
Address for Service: **148 Walton Street, Unit 2, Port Hope, Ontario L1A 1N6**

Name of owner: **1713515 Ontario Ltd.**
Address: **140 Sixth Line, R.R. 1,
Fraserville, Ontario K0L 1V0**

Name of person to whom lien claimant supplied services or materials:
Mr. Ron Christopher
Address: **140 Sixth Line, R.R. 1,
Fraserville, Ontario K0L 1V0**

Time within which services or materials were supplied:

from **March 5, 2007** to **January 18, 2008**
(date supply commenced) (date of most recent supply)

Short description of services or materials that have been supplied:

**Contract for Architectural Design and Consulting Services
For Renovations and Alterations to
The Walton Hotel,
81 Walton Street, Port Hope, Ontario L1A 1N2**

**Services consist of preparation of
Design development drawings for renovations to entire building, and
Construction Documents suitable for pricing & building permit for
ground floor renovations only.**

Contract price or subcontract price:

Base Contract:	\$ 25,000.00
Preparation of as-built dwgs. of existing bldg.:	\$ 2,667.50
Preparation of dwgs. for rear kitchen addition:	\$ 3,580.00
	<u>\$ 31,247.50</u>

Amount claimed as owing
in respect of services or materials that have been supplied: **\$ 11,753.73**

(Use A where the lien attaches to the premises; use B where the lien does not attach to the premises).

A. The lien claimant* claims a lien against the interest of every person identified above as an owner of the premises described in Schedule A to this claim for lien.

B. The lien claimant* claims a charge against the holdbacks required to be retained under the Act and any additional amount owed by a payer to the contractor or to any subcontractor whose contract or subcontract was in whole or in part performed by the services or materials that have been supplied by the lien claimant in relation to the premises at:

(address or other identification of the location of the premises)

Date:

Feb 28/08

C. L. Reno Piccini

(signature of claimant or agent)

2 of 3

Construction Lien Act SCHEDULE A

To the claim for lien of

Description of Premises:

(Where the lien attaches to the premises, provide a description of the premises sufficient for registration under the Land Titles Act or the Registry Act, as the case may be).

Street Address:

**Walton Hotel
81 Walton Street
Port Hope, Ontario L1A 1N2**

Located at:

**Plan of Survey of
Part of Town Plot Lots 54 and 55
Stewart Plan
Formerly Town of Port Hope, Now
Municipality of Port Hope
County of Northumberland**

Parcel Identification No. (PIN):

51073-0050

AFFIDAVIT OF VERIFICATION OF LIEN CLAIM UNDER SECTION 34 OF THE ACT

I, **C. L. Reno Piccini**

make oath and say (or affirm) as follows:

- A. 1. I am the lien claimant named in the attached claim for lien;
- 2. The facts stated in the claim for lien are true.

- ~~B. 1. I am the agent* of the lien claimant named in the attached claim for lien;~~
- ~~2. I have informed myself of the facts stated in the claim for lien, and I believe those facts to be true.~~

- ~~C. 1. I am a trustee of the workers' trust fund which is named as the lien claimant named in the attached claim for lien;~~
- ~~2. I have informed myself of the facts stated in the claim for lien, and I believe those facts to be true.~~

Sworn before me at the County of Northumberland
Affirmed in the Town of Cobourg

on Feb. 28/08
(year)
Commissioner for Taking Affidavits

C. L. Reno Piccini
(deponent)

323

ND 15169
CERTIFICATE OF RECEIPT
NORTHUMBERLAND (39) COBBOURG

FEB 28 2008

16:51

Balmain P. P.
LAND REGISTRAR

FOR OFFICE USE ONLY

ND 16032
CERTIFICATE OF RECEIPT
NORTHUMBERLAND (39) COBOURG
 APR 14 2008 11:20
Stephen Bale
LAND REGISTRAR

Additional: See Schedule

Executions

Additional: See Schedule

(1) Registry Land Titles (2) Page 1 of 4 pages

(3) Property Identifiers Block Property Additional: See Schedule
 51073 - 00500

(4) Nature of Document
Certificate of Action

(5) Consideration
 Dollars \$

(6) Description
PIN 51073-00500 LT
Part Town Plot Lot 54, Stewart Plan;
Part Town Plot Lot 55, Stewart Plan;
Parts 1 and 2 on Plan 39R-11490;
Municipality of Port Hope, County of Northumberland

(7) This Document Contains (a) Redescription New Easement Plan/Sketch (b) Schedule for: Description Additional Parties Other

(8) This Document provides as follows:
Registration of certificate of action

Continued on Schedule

(9) This Document relates to instrument number(s) **ND15169; ND15233**

(10) Parties (Set out Status or Interest)

Name(s)	Signature(s)	Date of Signature		
		Y	M	D
Bale, Stephen	<i>Stephen Bale</i>	2008	04	11
.....			
.....			

(11) Address for Service **72 King Street West, Suite 202, Cobourg, Ontario K9A 2M3**

(12) Party(ies) (Set out Status or Interest)

Name(s)	Signature(s)	Date of Signature		
		Y	M	D
.....			
.....			

(13) Address for Service

(14) Municipal Address of Property
The Walton Hotel
81 Walton Street
Port Hope, Ontario
L1A 1N2

(15) Document Prepared by:
Stephen Bale

Fees and Tax	
Registration Fee	70/-
Total	

FOR OFFICE USE ONLY

CERTIFICATE OF ACTION UNDER SECTION 36 OF THE ACT

No. 47/08

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

RENO PICCINI and DURHAM ENERGY SPECIALIST LIMITED

Plaintiffs

- and -

RONALD CHRISTOPHER, 1713515 ONTARIO LIMITED, KATHLEEN KELLY CROMBEE CONSTRUCTION LTD., LYNWILL REAL ESTATE CORPORATION, MICHAEL SWARTZ, in trust, 1522648 ONTARIO INC. and B2B TRUST

Defendants

CERTIFICATE OF ACTION

I certify that an action has been commenced in the Superior Court of Justice under the *Construction Lien Act* between the above parties in respect of the premises described in Schedule A to this certificate, and relating to the claims for lien bearing the following registration numbers: ND15169; and ND15233.

Date April 11, 2008

Issued by [Signature] Local registrar

Address of court office 860 William Street Cobourg, Ontario K9A 3A9

Construction Lien Act

SCHEDULE A

Description of premises: PIN 51073-0050 LT
Part Town Plot Lot 54, Stewart Plan;
Part Town Plot Lot 55, Stewart Plan;
Parts 1 and 2 on Plan 39R-11490;
Municipality of Port Hope, County of Northumberland

(The description of the premises must be the same as in the statement of claim, and must be sufficient for registration under the Land Titles Act or Registry Act, as the case may be).

4

RENO PICCINI and another

- and -

RONALD CHRISTOPHER and others

No. 47/08

SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Cobourg

CERTIFICATE OF ACTION

Stephen Bale
Barrister
72 King Street West
Room 202
Cobourg, Ontario
K9A 2M3
(905) 372-1241 (fax)
(905) 372-0835 (voice)
Law Society registration no. 19419B
Solicitor for the plaintiffs

Properties

PIN 51073 – 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 00081 WALTON ST
 PORT HOPE

Document to be Discharged

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
ND15169	2008 02 28	Construction Lien

Discharging Party(s)

The applicant applies to delete the selected lien and/or certificate of action.

Name PICCINI ARCHITECT
Address for Service 148 Walton Street, Unit 2, Port Hope,
 Ontario L1A 1N6

I, Reno Piccini, have the authority to bind the corporation.

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

Document(s) to be Deleted

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
ND15169	2008/02/28	Construction Lien
ND16032	2008/04/14	Certificate

Statements

The lien claimant releases the lien claimed in the claim for lien as in registration number ND15169 registered on 2008/02/28 , and in respect to an improvement to the premises owned by 1713515 Ontario Ltd. and described in the PIN(s) identified.

The lien claimant, who is a party to the certificate of action, hereby consents to the release of the certificate of action registered as number ND16032 registered on 2008/04/14 .

There is no sheltering of another lien under Certificate of Action registered as number ND16032 registered on 2008/04/14 .

Signed By

Sheldon Marshall Fischman 179 King Street E. PO Box 26008 acting for Signed 2008 11 07
 RPO King St. Applicant(s)
 Oshawa
 L1H 8R4

Tel 905-723-5243

Fax 9054366041

Submitted By

DIAMOND FISCHMAN & PUSHMAN 179 King Street E. PO Box 26008 2008 11 07
 RPO King St.
 Oshawa
 L1H 8R4

Tel 905-723-5243

Fax 9054366041

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$60.00
<i>Total Paid</i>	\$60.00

File Number

Discharging Party Client File Number : 08-0682

Construction Lien Act

CLAIM FOR LIEN
Under Section 34 of the Act

Name of Lien Claimant: **Durham Energy Specialist Limited**
Attention: Mr. William Skrive
Address for Service: **5 Carlow Court, Whitby, Ontario, L1N 9T7**

Name of owner: **1713515 Ontario Ltd.**
Address: **140 Sixth Line, R.R. 1,**
Fraserville, Ontario K0L 1V0

Name of person to whom lien claimant supplied services or materials: **Mr. Ron Christopher**
Address: **140 Sixth Line, R.R. 1,**
Fraserville, Ontario K0L 1V0

Time within which services or materials were supplied:

from **July 16, 2007** to **January 20, 2008**
(date supply commenced) (date of most recent supply)

Short description of services or materials that have been supplied:

**Contract for Mechanical & Electrical Design Consulting Services
For Renovations and Alterations to
The Walton Hotel,
81 Walton Street, Port Hope, Ontario L1A 1N2**

**Services consist of preparation of
Design development drawings for renovations to entire building, and
Construction Documents suitable for pricing & building permit for
ground floor renovations only.**

Contract price or subcontract price:
Base Contract: **\$ 22,700.00**


Amount claimed as owing
in respect of services or materials that have been supplied: **\$ 6,395.94**

(Use A where the lien attaches to the premises; use B where the lien does not attach to the premises).

- A.** The lien claimant* claims a lien against the interest of every person identified above as an owner of the premises described in Schedule A to this claim for lien.
- B.** The lien claimant* claims a charge against the holdbacks required to be retained under the Act and any additional amount owed by a payer to the contractor or to any subcontractor whose contract or subcontract was in whole or in part performed by the services or materials that have been supplied by the lien claimant in relation to the premises at:

(address or other identification of the location of the premises)

Date:


(signature of claimant or agent)

Construction Lien Act
SCHEDULE A

To the claim for lien of

Description of Premises:

(Where the lien attaches to the premises, provide a description of the premises sufficient for registration under the Land Titles Act or the Registry Act, as the case may be).

Street Address:

**Walton Hotel
81 Walton Street
Port Hope, Ontario L1A 1N2**

Located at:

**Plan of Survey of
Part of Town Plot Lots 54 and 55
Stewart Plan Pts 1+2/39 R11490.
Formerly Town of Port Hope, Now
Municipality of Port Hope
County of Northumberland**

Parcel Identification No. (PIN):

51073-0050

AFFIDAVIT OF VERIFICATION OF LIEN CLAIM UNDER SECTION 34 OF THE ACT

I, **William Skribe**

make oath and say (or affirm) as follows:

- A.** 1. I am the lien claimant named in the attached claim for lien;
2. The facts stated in the claim for lien are true.
- B.** 1. I am the agent* of the lien claimant named in the attached claim for lien;
2. I have informed myself of the facts stated in the claim for lien, and I believe those facts to be true.
- C.** 1. I am a trustee of the workers' trust fund which is named as the lien claimant named in the attached claim for lien;
2. I have informed myself of the facts stated in the claim for lien, and I believe those facts to be true.

Sworn before me at the **Town of Cobourg**
Affirmed **County of Northumberland**

Bahman Fazeel
on **3rd March 2008**
(year)
Commissioner for Taking Affidavits

William Skribe
(deponent)

3:00

3

ND 15233
 CERTIFICATE OF RECEIPT
 NORTHUMBERLAND (39) COBOURG
 MAR 03 2008 12:14
Balmain Fogel
 LAND REGISTRAR

Fees: \$70.00

FOR OFFICE USE ONLY

ND 16032
CERTIFICATE OF RECEIPT
NORTHUMBERLAND (39) COBOURG
 APR 14 2008 11:20
Stephen Bale
LAND REGISTRAR

Additional: See Schedule

Executions

Additional: See Schedule

(1) Registry Land Titles (2) Page 1 of 4 pages

(3) Property Identifiers Block Property Additional: See Schedule
 51073 - 00500

(4) Nature of Document
Certificate of Action

(5) Consideration
 Dollars \$

(6) Description
PIN 51073-00500 LT
Part Town Plot Lot 54, Stewart Plan;
Part Town Plot Lot 55, Stewart Plan;
Parts 1 and 2 on Plan 39R-11490;
Municipality of Port Hope, County of Northumberland

(7) This Document Contains (a) Redescription New Easement Plan/Sketch (b) Schedule for: Description Additional Parties Other

(8) This Document provides as follows:
Registration of certificate of action

Continued on Schedule

(9) This Document relates to instrument number(s) **ND15169; ND15233**

(10) Parties (Set out Status or Interest)

Name(s)	Signature(s)	Date of Signature		
		Y	M	D
Bale, Stephen	<i>Stephen Bale</i>	2008	04	11
.....			
.....			

(11) Address for Service **72 King Street West, Suite 202, Cobourg, Ontario K9A 2M3**

(12) Party(ies) (Set out Status or Interest)

Name(s)	Signature(s)	Date of Signature		
		Y	M	D
.....			
.....			
.....			

(13) Address for Service

(14) Municipal Address of Property
The Walton Hotel
81 Walton Street
Port Hope, Ontario
L1A 1N2

(15) Document Prepared by:
Stephen Bale

Fees and Tax	
Registration Fee	70/-
Total	

FOR OFFICE USE ONLY

CERTIFICATE OF ACTION UNDER SECTION 36 OF THE ACT

No. 47/08

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

RENO PICCINI and DURHAM ENERGY SPECIALIST LIMITED

Plaintiffs

- and -

RONALD CHRISTOPHER, 1713515 ONTARIO LIMITED, KATHLEEN KELLY CROMBEE CONSTRUCTION LTD., LYNWILL REAL ESTATE CORPORATION, MICHAEL SWARTZ, in trust, 1522648 ONTARIO INC. and B2B TRUST

Defendants

CERTIFICATE OF ACTION

I certify that an action has been commenced in the Superior Court of Justice under the *Construction Lien Act* between the above parties in respect of the premises described in Schedule A to this certificate, and relating to the claims for lien bearing the following registration numbers: ND15169; and ND15233.

Date April 11, 2008

Issued by [Signature] Local registrar

Address of court office 860 William Street Cobourg, Ontario K9A 3A9

Construction Lien Act

SCHEDULE A

Description of premises: PIN 51073-0050 LT
Part Town Plot Lot 54, Stewart Plan;
Part Town Plot Lot 55, Stewart Plan;
Parts 1 and 2 on Plan 39R-11490;
Municipality of Port Hope, County of Northumberland

(The description of the premises must be the same as in the statement of claim, and must be sufficient for registration under the Land Titles Act or Registry Act, as the case may be).

4

RENO PICCINI and another

- and -

RONALD CHRISTOPHER and others

No. 47/08

SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Cobourg

CERTIFICATE OF ACTION

Stephen Bale
Barrister
72 King Street West
Room 202
Cobourg, Ontario
K9A 2M3
(905) 372-1241 (fax)
(905) 372-0835 (voice)
Law Society registration no. 19419B
Solicitor for the plaintiffs

Properties

PIN 51073 – 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 00081 WALTON ST
 PORT HOPE

Document to be Discharged

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
ND15233	2008 03 03	Construction Lien

Discharging Party(s)

The applicant applies to delete the selected lien and/or certificate of action.

Name DURHAM ENERGY SPECIALIST LIMITED
Address for Service 5 Carlow Court, Whitby, Ontario L1N 9T7

I, Kathy Skribe, have the authority to bind the corporation.

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

Document(s) to be Deleted

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
ND15233	2008/03/03	Construction Lien
ND16032	2008/04/14	Certificate

Statements

The lien claimant releases the lien claimed in the claim for lien as in registration number ND15233 registered on 2008/03/03 , and in respect to an improvement to the premises owned by 1713515 Ontario Ltd. and described in the PIN(s) identified.

The lien claimant, who is a party to the certificate of action, hereby consents to the release of the certificate of action registered as number ND16032 registered on 2008/04/14 .

There is no sheltering of another lien under Certificate of Action registered as number ND16032 registered on 2008/04/14 .

Signed By

Sheldon Marshall Fischman 179 King Street E. PO Box 26008 acting for Signed 2008 11 07
 RPO King St. Applicant(s)
 Oshawa
 L1H 8R4

Tel 905-723-5243

Fax 9054366041

Submitted By

DIAMOND FISCHMAN & PUSHMAN 179 King Street E. PO Box 26008 2008 11 07
 RPO King St.
 Oshawa
 L1H 8R4

Tel 905-723-5243

Fax 9054366041

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$60.00
<i>Total Paid</i>	\$60.00

File Number

Discharging Party Client File Number : 08-0682

Properties

PIN 51073 – 0050 LT *Interest/Estate* Fee Simple
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART
 PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 00081 WALTON ST
 PORT HOPE

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 1713515 ONTARIO LIMITED
Address for Service 140 Sixth Line
 R.R.# 1
 Fraserville, Ontario
 K0L 1V0

I, Ronald Christopher, President and Kathleen Kelly, Secretary, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name ONTARIO WEALTH MANAGEMENT CORPORATION
Address for Service 1 Yorkdale Road
 Suite 511
 Toronto, Ontario
 M6A 3A1

Statements

Schedule: See Schedules

Provisions

Principal \$1,230,000.00 *Currency* CDN
Calculation Period Monthly, interest only
Balance Due Date 2009/12/01
Interest Rate 11.5% per annum
Payments \$11,787.50
Interest Adjustment Date 2008 12 01
Payment Date 1st day of each month
First Payment Date 2009 01 01
Last Payment Date 2009 12 01
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor

Signed By

Manal Farah 800–150 York St. acting for Chargor Signed 2008 11 10
 Toronto (s)
 M5H 3S5

Tel 4163641553

Fax 4163641453

Submitted By

MACDONALD SAGER MANIS LLP 800–150 York St. 2008 11 10
 Toronto
 M5H 3S5

Tel 4163641553

Submitted By

Fax 4163641453

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

File Number

Chargee Client File Number : 082559

SCHEDULE
ADDITIONAL PROVISIONS

For the purpose of this Charge/Mortgage, the terms "Charge", "Chargor" and "Chargee" shall also mean "Mortgage", "Mortgagor" and "Mortgagee". The lands and premises that are subject to this Charge are collectively sometimes referred to in this Charge as the "Property".

1. POST-DATED CHEQUES

The Chargor shall provide to the Chargee a series of twelve (12) post-dated cheques in accordance with the repayment schedule attached hereto and forming part of the within Charge. In the event that there is more than one Chargee, the Chargor agrees to provide separate payments to each Chargee.

In the alternative, and at the option of the Chargee, the Chargor shall provide the Chargee's solicitor with a Pre-Authorized Debit form (PAD) for purposes of obtaining the monthly mortgage payments.

In the event that any of the Chargor's post-dated cheques or pre-authorized debit, as the case may be are not honoured when presented for payment to the bank or trust company on which they are drawn, or should the Chargor fail to provide a monthly payment when due, the Chargor shall pay to the Chargee for each such returned payment(s), ONE HUNDRED (\$100.00) DOLLARS to cover the Chargee's administration costs and not as penalty and such sum shall be a charge upon the lands and shall bear interest at the rate hereinbefore stated.

In the event that any interest payment is not received by the Chargee on or before the due date, then there shall be a late payment penalty of ONE HUNDRED (\$100.00) DOLLARS for each occurrence.

In the event that the Chargee is or becomes a financial institution as Trustee for the RRSP of an individual, the Chargor agrees to make the monthly payments under the mortgage to the planholder or as the planholder directs.

2. PAYMENTS AFTER 1:00 P.M.

Any payment (other than payment of the regular payments of interest) that is made after 1:00 p.m. on any date, shall be deemed for the purpose of calculation of interest, to have been made and receive on the next bank business day. For greater certainty, if funds are received (or deemed received) on a Friday after 1:00 pm, interest will be payable to the following Monday, or Tuesday in the event of a holiday.

3. PAYMENT PRIOR TO MATURITY

Provided that the Chargor shall have the privilege during the term of this Charge of paying the whole of the principal amount hereby secured at any time or times, upon payment to the Chargee of a bonus of one months bonus plus 1/12th of the administration fee.

If prepayment of any part of the Principal Sum is made during the term of the Charge, whether by reason of payment after acceleration upon the occurrence of an Event of Default or as otherwise permitted hereunder, the Mortgagor agrees to indemnify and save harmless the mortgagee from all costs and losses resulting therefrom and to pay to the Mortgagee a bonus of two months bonus plus 1/12th of the administration fee.

4. REALTY TAXES

The Chargor acknowledges that as a result of recent legislative changes implemented by the Province of Ontario with respect to commercial real property, business taxes are now included in realty taxes and that such changes have impacted the risk of the Chargee in that realty taxes, including the amounts for former business taxes, form a lien in priority to the amounts secured by this Charge and any prior encumbrances registered against title to the real property hereby charged.

The Chargor agrees that in the event the Chargee does not elect to collect the realty taxes imposed for the Property that the Chargor shall pay all instalments as they become due and shall provide proof of payment by way of a receipt to the Chargee's solicitor on or before the due date for each such payment.

In the event the Chargee elects to collect the realty taxes levied for the Property together with the monthly interest payment hereunder, and subsequently the monthly realty tax payments collected from the Chargor are insufficient to pay any realty tax bill when due, the Chargor covenants to pay all arrears, insufficiencies and instalments to the Chargee's solicitor within 14 days of written notice from the Chargee's solicitor to make such payment.

In the event that the Chargor fails to provide proof of payment as set out above, the Chargor agrees that the Chargee's solicitor may obtain verbal information from the municipality, or for those

municipalities which do not provide verbal information pertaining to realty tax accounts, by obtaining a tax certificate, and the Chargor agrees that the cost of obtaining such information shall be a minimum of FIFTY (\$50.00) DOLLARS or an hourly rate of TWO HUNDRED AND FIFTY (\$250.00) DOLLARS, plus disbursements and G.S.T. which cost will be determined by the Chargee's solicitor and will be added to the principal amount secured by the Charge.

5. ACKNOWLEDGEMENT ON ASSIGNMENT

In the event that the Chargee assigns transfers or otherwise conveys it's interest hereunder, and upon the delivery of notice of same to the Chargor, the Chargor, if so requested, shall without cost, at any time and from time to time, execute an acknowledgment with respect to the terms and conditions of the Charge and the amount outstanding thereunder. Failure to execute the acknowledgment shall be deemed to be default by the Chargor under the Charge.

6. PAYMENT OF OTHER CHARGES AND PERFORMANCE OF OTHER OBLIGATIONS BY THE CHARGE

The Chargor covenants and agrees with the Chargee to pay all property tax, public utilities rates, charges, condominium common expenses, and insurance premiums as and when the become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Chargor to comply with this covenant shall constitute an event of default hereunder and entitles the Chargee at its sole and absolute discretion to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.

In addition, at the Chargee's sole and absolute discretion, the Chargor hereby agrees that the Chargee may satisfy any charge, lien, any matter raised in the previous paragraph or other encumbrances now or hereafter existing or to arise or to be claimed upon the charged lands and the amount so paid together with all costs associated therewith shall be a charge on the Property and shall bear interest at Eighteen (18%) percent per annum, calculated and compounded monthly and shall be payable forthwith by the Chargor to the Chargee, and in default of payment, the entire principal sum, accrued interest and costs, shall become payable at the sole and absolute discretion of the Chargee and the remedies hereby given and available at law may be exercised forthwith without notice. In the event the Chargee satisfying any such charge or claim, it shall be entitled to all equities and securities of the person(s) so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

7. SERVICING FEE

In the event that the Chargee is called upon to pay any payment in order to protect its security position including but not limited to realty taxes, insurance premiums, condominium common expenses, principal interest or costs under a prior mortgage, there shall be a service charge of not less than \$250.00 for making each such payment or payments. Any service fee owing by the Chargor to the Chargee which is not paid shall be added to the mortgage indebtedness and shall bear interest at the rate herein set forth.

8. SALE BY CHARGOR

On the sale or transfer of all or any part of the property secured by this Charge or any mortgage or any interest therein, the Chargee may, at the Chargee's sole option declare all of the sums secured by this Charge together with the prepayment bonus herein to be immediately due and payable and invoke any remedies permitted by this Charge or law.

No sale or other dealings by the Chargor with the equity of redemption in the property secured by this Charge or any part thereof shall in any way change the liability of the Chargor for the observance, fulfillment and maintenance of all covenants, terms and provisions herein or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the moneys hereby secured.

No dealing between the Chargee and the Chargor or the owner of the equity of redemption, including extending or renewing this Charge, shall in any way affect, change or prejudice the liability of the Chargor for the observance, fulfillment and maintaining of all covenants, terms, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the moneys hereby secured, and the Chargor expressly waives all notice of such dealings between the Chargee with the owner of the right equity of redemption, including extending or renewing this Charge.

9. SALE ON TERMS

In the event power of sale proceedings are taken, the Chargee as vendor may sell the property on terms and if the result is that any mortgages taken back are at a rate lower than the rate for first and/or second mortgages in the industry then the Chargee shall be entitled to sell these charges at a

discount and the discount shall form part of the loss incurred by the Chargee and be recoverable against the Chargor.

10. COSTS AND EXPENSES

It is agreed that all costs and expenses of the Chargee incurred in endeavouring to collect any money overdue under this Charge, including all legal costs on a solicitor and client basis, whether legal proceedings are instituted or not, shall be added to the principal and be payable forthwith by the Chargor.

11. MORTGAGE STATEMENT

The Chargor shall pay to the Chargee or its agent an administrative fee of \$100.00 plus GST in advance for processing and providing each and every mortgage statement requested by or on behalf of the Chargee. Any request for a mortgage statement shall be made in writing allowing the Chargee five (5) business days to respond.

12. DISCHARGE

Upon the balance due date of the principal and interest secured hereunder or any renewal thereof, the Chargor shall be deemed to have requested the Chargee's solicitor to prepare the discharge documents including where applicable the electronic registration of the discharge for this Charge and shall pay the following fees plus G.S.T. to the Chargee's solicitor:

1. Statement fee \$75.00;
2. Discharge preparation and execution fee \$300.00, for each discharge plus disbursements and G.S.T. and all registration fees where applicable.

In addition in the event that the Chargor requires the Chargee to attend at the Land Registry Office on the closing of a refinancing or sale transaction, the Chargor shall pay all disbursements incurred by the Chargee's solicitor including courier and conveyancer fees, such amount to be not less than \$200.00 plus disbursements and G.S.T. In addition if mortgage discharge funds are to be delivered, other than to the office of the Chargee's solicitor, payment will be deemed received on the next banking day.

13. PAYMENT TO DISCHARGE

The parties herein agree that payment to discharge the said Charge must be by certified cheque.

14. POSSESSION

Notwithstanding anything herein to the contrary, if default shall happen to be made of or in the payment of the principal amount or the interest payable thereon or any part of either thereof, as provided in this Charge, or of or in the doing, observing, performing, fulfilling or keeping of some one or more of the provisions, agreements or stipulations contained therein contrary to the true intent and meaning of this Charge, then and in every case it shall and may be lawful to and for the said Chargee to peaceably and quietly enter into, have, hold, use, occupy, possess, and enjoy the land hereby charged free and clear and freely and clearly acquitted, exonerated and discharged of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and recognizances, and of and from all manner of other charges or encumbrances whatsoever without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whatsoever.

Provided that the Lender obtains possession of the mortgaged property as provided herein, and it determines, in its sole discretion, that the mortgaged property requires work and improvements in order to market the mortgaged property, then the Lender shall have the right, at its sole option, to complete such work on such terms as it deems advisable. The cost of completion of the servicing and work by the Lender and its agents and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the work and improvements completed by the Lender. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Lender shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law. Furthermore for administering maintenance and security on the property in Chargee's possession the Chargor shall be charged \$100.00 per day.

15. ALTERATIONS

The Chargor will not make or permit to be made any structural alterations or additions to the land or change or permit to be changed the use of the premises without the written consent of the Chargee and he will promptly observe, perform, execute and comply with all legislation, laws, rules, requirements, orders, directions, ordinances and regulations of every governmental authority or agency concerning the land and will at his own cost and expense make any and all improvements thereon or alterations thereto,

structural or otherwise, ordinary or extraordinary, which may be required at any time by such present or future law, rules, requirement, order, direction, ordinance or regulations.

16. CHARGEЕ NOT IN POSSESSION

It is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under the Charge shall be deemed not to be a Chargee in possession.

17. APPOINTMENT OF RECEIVER

Notwithstanding anything herein contain it is declared and agreed that at any time and from time to time when there shall be default under the provisions of this Charge the Chargee may at such time and from time to time and without entry into possession of the land or any part thereof by writing under its hand appoint a receiver (which term shall include a receiver and manager) of the land or any part thereof and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any receiver and appoint another in his, her or its stead and that, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor.

Upon the appointment of any such receiver of receivers from time to time the following provisions shall apply:

- (a) That the statutory declaration by any officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof.
- (b) That every such receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect of the land or any part thereof whether in respect of any tenancies created in priority to these presents or subsequent thereto;
- (c) That every such receiver may, in the discretion of the Chargee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the Chargee;
- (d) That the Chargee may from time to time by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the land or the proceeds thereof;
- (e) That every such receiver shall, so far as concerns responsibility for his, her or its acts or omissions, be deemed the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (f) That the appointment of every such receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the receiver in any respect and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession respect of the land or any part thereof;
- (g) That every such receiver shall from time to time have the power to rent any portion of the land which may become vacant for such term and subject to such provisions as such receiver may deem advisable or expedient and in so doing every such receiver shall act as the attorney of agent of the Chargor and every such receiver shall have authority to execute under seal any lease of any such portion of the land in the name of and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever any such receiver may do in the premises;
- (h) That every such receiver shall have full power to complete any unfinished construction upon the land with the intent that the land and the buildings thereof when so completed shall be a completed structure as represented by the Chargor to the Chargee for the purpose of obtaining this Charge loan;
- (i) That any such receiver shall have full power to carry on or, concur in the carrying on of the business of the Chargor, and to employ and discharge such agents, workmen, accountants and other individuals or companies as are required to carry on the said business, upon such terms and with such salaries, wages or remuneration as such receiver shall think proper, and to repair and keep in repair the lands and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the land;
- (j) That any such receiver shall have the power to sell or lease or concur in selling or leasing any or all of the land, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either as public auction or private sale as to him may seem best and such sale may be made from time to time as to the whole or any part or parts of the land; and any such receiver may make any stipulations as to title or conveyance or commencement of title or otherwise which such receiver shall deem proper;

- (k) That any such receiver shall have the power to borrow money to carry on the business of the Chargor or to maintain the whole or any part of the land, in such amounts as the receiver may from time to time deem necessary and in so doing the receiver may issue certificates that may be payable when the receiver thinks expedient and shall bear interests as stated therein and the amounts from time to time payable under such certificates shall charge the lands in priority to this charge;
- (l) That any such receiver shall have the power to execute and prosecute all suits, proceedings and actions which the receiver in his, her or its option considers necessary for the proper protection of the land, to defend all suits, proceedings and actions against the Chargor and the receiver, to appear in and conduct the prosecution and defense of any suit, proceeding or action then pending on thereafter instituted and to appeal any suit, proceeding or action;
- (m) That any such receiver shall have the full power to manage, operate, amend, repair, alter, or extend the land, or any part thereof, in the name of the Chargor for the purpose of securing the payment of rental from the land or any part thereof;
- (n) That any such receiver or trustee shall not be liable to the Chargor to account for monies or damages other than cash received by him or it in respect to the land or any part thereof and out of such cash so received every such receiver shall pay in the following order:
 - (1) his remuneration;
 - (2) all payments made or incurred by him in connection with management, operation, amendment, repair, alteration or extension of the land or any part thereof;
 - (3) in payment of interest, principal and other money which may from time to time be or become charged upon the charged premises in priority to monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect to the land or any part thereof;
 - (4) in payment of all interest and arrears of interest and any other monies remaining unpaid hereunder;
 - (5) the residue of any money so received by him shall be applied on the principal sum or any other amounts from time to time owing under this Charge;
 - (6) it is acknowledged that in the event of default, the Chargee or its agent, shall be entitled to receive a fee for the management of the land.

The Chargor hereby irrevocably appoints the Chargee, his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitor so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the receiver or trustee and/or with respect to the charged premises in the same manner as if such documentation was duly executed by the Chargor himself.

18. ADDITIONAL REMEDIES

The rights, powers, and remedies conferred herein are supplementary to and not in substitution for any of the powers which the Chargee may have or be entitled to at law or otherwise. Any one or more remedies may from time to time be exercised independently of or in combination with any of the others, and the remedies include, but are not limited to, the Chargee's right to commence court proceedings to foreclose the Chargor's right, title and equity of redemption to the property and the Chargee's right to ask the court to order the sale of the property under the court's supervision.

19. ASSIGNMENT OF LEASES

The Chargor hereby gives, grants, assigns, transfers and sets over unto the Chargee all leases and/or agreements, whether written, verbal or otherwise howsoever made including all renewals or extensions thereof, together with all rents and other moneys payable thereunder and all rights, benefits and advantages to be derived therefrom as may affect the land or any part thereof, provided that nothing in pursuance hereof shall have or be deemed to have the effect of making the Chargee a chargee in possession or responsible for the collection of rent, or any part thereof, or any income or revenue whatsoever of and from the land, or for the performance or observance of any covenants, terms or conditions contained in such lease or other agreement; provided further, that no future leases or renewals or amendments of leases may be given by the Chargor without the prior written consent of the Chargee (not to be unreasonably withheld) and notwithstanding anything herein contained, no lease of the land or any part thereof made by the Chargor without the prior written consent of the Chargee shall have priority over the Charge and also that forthwith after making any lease of the land or any part thereof the Chargor will (if requested) execute and deliver to the Chargee an assignment in the Chargee's usual form of all rents payable under such lease, the benefits of all covenants, agreements and provisions therein contained on the part of the tenant to be

observed and performed and the reversion of such lease, and will also execute and deliver to the Chargee all such notices and other documents as may be required in order to render such assignment effectual in law.

Notwithstanding that the Chargee may forthwith collect any and all rent upon completion of the mortgage transaction, the Chargee will allow the Chargor to collect said rent. At any time, the Chargee may withdraw its permission to the Chargor to collect rent by delivering to any tenant a direction to pay all further rent to the Chargee or as the Chargee may direct.

The Chargor covenants and agrees that no rent has been or will be paid by any person in possession of any portion of the land in advance, and that no portion of any future rent will be allowed to accrue or be waived, released, discounted or otherwise discharged or compromised by the Chargor.

The Chargor further covenants and agrees that it shall not perform any act or do anything or omit to do anything which will cause the default of any lease unless consented to by the Chargee in writing.

20. SUBSEQUENT ENCUMBRANCES

The Chargor covenants and agrees that it will not encumber the Lands or permit the registration of any mortgage or charges ranking subsequent in priority to the within mortgage without the prior written consent of the Chargee, which consent will not be unreasonably withheld.

21. SEVERABILITY OF ANY INVALID PROVISIONS

If in the event that any covenant, term or provision contained in this Charge is held to be invalid, illegal or unenforceable in whole or in part, then the validity, legality and enforceability of the remaining covenants, provisions and terms shall not be affected or impaired thereby, and all such remaining covenants, provisions and terms shall continue in full force and effect. All covenants, provisions and terms hereof are declared to be separate and distinct covenants, provisions or terms as the case may be.

22. FARM DEBT MEDIATION ACT

Provided further that the Chargor represents and warrants that he is not a "Farmer" as defined in the Farm Debt Mediation Act and the Chargor further covenants and agrees that during the currency of the within Charge he will not engage in any activity which would have the effect of deeming him a Farmer within the meaning of the Farm Debt Mediation Act. In the event that the Chargor fails to comply with the within provision, the within Charge shall, at the Chargee's option, immediately become due and payable in full, together with the prepayment bonus set out herein.

23. NO DEEMED REINVESTMENT

Notwithstanding the reference herein to the interest rate on a per annum basis and notwithstanding any other provision herein contained, the parties hereto acknowledge that it is their intention that the interest rate shall at all times be payable and calculated monthly at a rate per month equal to 1/12th of the yearly rate as hereinbefore referred to and the Chargee shall not be deemed to have reinvested any monthly or other payments received by it hereunder.

24. NON-PAYMENT OF PRINCIPAL

The Chargor covenants with the Chargee that in the event of non-payment of the principal monies at the time or times provided herein, he shall not require the Chargee to accept payment of the principal monies without first giving three (3) months previous notice in writing, or paying a bonus equal to three (3) months interest in advance on the principal monies.

Notwithstanding the foregoing, in the event that the Mortgagor fails to repay the principal and interest outstanding on the maturity date (or extended maturity date if the original maturity date is extended), and fails to accept a renewal offer tendered by the Mortgagee (for any reason not attributable to the Mortgagee) within 10 business days of the maturity date, then the Mortgagee may at its sole option, renew this mortgage for an additional one year from the maturity date, at an interest rate equal to the interest rate set out herein. For greater certainty, the Mortgagee shall not be obligated to offer any renewal. All other terms and covenants under this mortgage shall continue to apply. A Renewal Fee shall equal to 1.00% of the outstanding balance plus reasonable legal fees, disbursements and GST (hereinafter "Renewal Fee") and 1/12th of the Renewal Fee shall be due and payable monthly together with the mortgage monthly payment and the Lender is hereby authorized to obtain such payment by PAD.

25. INDEMNIFICATION OF CHARGE

In the event the Chargee shall, without fault on its part, be made a party to any litigation commenced by or against the Chargor, the Chargor shall protect and hold the Chargee harmless therefrom and shall pay all costs, expenses and solicitors and counsels fees on a solicitor and his own client basis. Such costs shall be a charge on the lands and may be added to the loan secured hereby.

26. COVENANT TO PAY BROKERAGE FEES

The Chargor acknowledges that the loan hereby secured was arranged by one or more mortgage brokers. Part of the consideration received by the Chargee in agreeing to advance the funds secured hereby is the payment of the Mortgage Brokerage fees stipulated in the Cost of Borrowing Disclosure Form as required under the Mortgage Brokers, Lenders and Administrators Act, R.S.O., 2006, as amended or replaced. Upon registration of this Charge, and where the Chargor is unable or unwilling to receive the monies secured hereby, the Chargor shall not be entitled to a discharge of this Charge until the Mortgage Brokerage fees are paid in full.

27. PAYMENT OF AMOUNTS OWING TO GOVERNMENTAL AUTHORITIES

During the term of the Charge and any renewal or extension thereof, the Chargor and/or any guarantor will pay when due all amounts owing to any governmental authority which, if unpaid, would give such governmental authority recourse for such amounts ranking in priority to this Charge or any other security documents and agreements given by the Chargor to the Chargee in connection with the loan hereunder and the failure to pay such amount when due will constitute, at the sole discretion of the Chargee, an event of default hereunder.

28. HEADINGS

The headings herein are not to be considered part of this Charge and are included solely for the convenience of reference and are not intended to be full or accurate descriptions of the contents of the paragraphs to which they relate.

29. ADMINISTRATION

As this Charge is being administered on behalf of the Chargee the Chargor agrees that, in addition to the monthly interest payments (which includes an administration fee being paid by the Chargee's solicitor), they shall also pay the GST on the said administration fee.

30. SERVICE OF THE NOTICE OF INTENTION TO ENFORCE SECURITY

In the event it is necessary for the Chargee to deliver a Notice of Intention to Enforce Security on the Chargor, said Notice of Intention to Enforce Security shall be served on the Chargor by regular mail to the Chargor's attention at the address provided in the Charge.

31. ELECTRONIC REGISTRATION

The Chargor hereby authorizes and directs the Chargee, by their solicitor, to register this Charge electronically.

32. CROSS DEFAULT

The occurrence of an event of default under the provisions of this Charge, under any security document referred to in the commitment letter dated September 18, 2008, as amended (collectively the "Commitment"), issued by Ontario Wealth Management Corporation or pursuant to any other charge or security document between the Chargor and the Chargee, including any document pursuant to which the Chargor is a guarantor, shall be deemed to be an event of default under all such security documents and shall entitle the Chargee to pursue its remedies under any or all of the aforesaid security documents.

33. NON-MERGER

Notwithstanding the registration of this Charge and the advance of funds hereunder, the terms and provisions of the Commitment shall remain binding and effective upon the parties. It is understood and agreed that any default under the said Commitment shall be deemed a default under this Charge. In the event of an inconsistency between the terms of the Charge and the terms of the Commitment, the Chargee may, in its sole discretion, determine which shall prevail.

34. ENVIRONMENTAL

The Chargor(s) represents and warrants that:

- (a) each has not caused or permitted, and to the best of their respective knowledge, information and belief after making due inquiry, no other person has caused or permitted, any Hazardous Substance to be manufactured, refined, traded, transported or transformed to or from, handled, produced, processed, placed, stored, located or disposed of on, under or at the Lands;
- (b) each has no knowledge that any owner or occupier of any abutting or neighbouring properties has done any one or more of the matters or things prohibited by subparagraph (a) hereof;
- (c) they and their tenants, invitees and other occupiers of the Lands have and will at all times carry out, and to the best of their respective knowledge, information and belief after making due inquiry, all prior owners and occupiers of the Lands have at all times carried out, all business and other activities

upon the Lands in compliance with all applicable laws intended to protect the environment including, without limitation, laws respecting the discharge, emission, spill or disposal of any Hazardous Substance;

- (d) no order, direction, enforcement action or other governmental or regulatory action or notice, nor any action, suit or proceeding relating to an Hazardous Substance or the environment has been issued or is otherwise threatened or pending with respect to the Lands;
- (e) each of the representations and warranties set out herein shall remain true and accurate in all respects until all amounts secured hereunder are paid in full; and
- (f) the Chargee may delay or refuse to make any advance to the Chargor if the Chargee believes that any of the representations and warranties set out herein were not true and accurate when made or at any time thereafter.

The Chargor shall permit the Chargee to conduct, at the Chargor's expense, any and all tests, inspections, appraisals and environmental audits of the Lands so as to determine and ensure compliance with the provisions of the Charge including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Lands or the businesses and other activities conducted thereon at any time and from time to time.

The Chargor agrees to indemnify and save harmless the Chargee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, costs and expenses of any and every nature and kind whatsoever which at any time or from time to time may be paid or incurred by or asserted against any of them as a direct or indirect result of:

- (a) a breach of any of the representations, warranties or covenants hereinbefore set out;
- (b) the presence of any Hazardous Substance in, on or under the Lands; or
- (c) the discharge, emission, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland; and such losses, damages, costs and expenses include, without limitation:
- (d) the costs of defending, counterclaiming or claiming over against one or more third parties in respect of any action or matter; and
- (e) any settlement of any action or proceeding entered into by the Chargee with the consent of the Chargor (which consent shall not be unreasonably withheld);

and the provisions of all representations, warranties, covenants and indemnifications set out herein shall survive the release and discharge of this Charge and any other security held by the Chargee and repayment and satisfaction of the loan secured by this Charge. The provisions of this indemnity shall enure to the benefit of the Chargee and its successors and assigns including, without limitation, any assignees of this Charge.

For the purposes of this Charge, "Hazardous Substance" means any hazardous waste or substance, pollutant, contaminant, waste or other substance, whether solid, liquid or gaseous in form, which when released into the natural environment may immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing:

- (a) any such substance as defined or designated under any applicable laws and regulations for the protection of the environment or any living thing;
- (b) asbestos, urea formaldehyde, poly-chlorinated biphenyl (PCB) and materials manufactured with or containing the same; and
- (c) radioactive and toxic substances.

35. BREACH OF COVENANT

A breach of any covenant contained in this Charge shall constitute a default hereunder and at the option of the Chargee, it may avail itself of the remedies contained in this Charge or available at law.

36. CONFLICT/AMBIGUITY

Where conflict or ambiguity exists or arises between any one or more of the provisions contained in this Schedule and any one or more of the provisions contained in the standard charge terms, the provisions contained in this Schedule shall, to the extent of such conflict or ambiguity, be deemed to govern and prevail.

37. BANKRUPTCY AND INSOLVENCY

The Chargor waives and releases any right that it may have to receive from the Chargee notice of intention to enforce security pursuant to the Bankruptcy and Insolvency Act of Canada (the "Act"). This waiver and release shall not be deemed or interpreted to be a prior consent to earlier enforcement of a security within the meaning of the Act.

The Chargor acknowledges and agrees that:

- (a) the security held by the Chargee is not all or substantially all of the inventory, accounts receivable or other property of the Chargor acquired for or used in relation to any business carried on by the Chargor;
- (b) notwithstanding any act of the Chargee by way of appointment of any person or persons for the purposes of taking possession of the Lands as agent on behalf of the Chargor or otherwise and notwithstanding the Chargee taking possession of the Lands itself pursuant to any rights that the Chargee may have with respect thereto, such possession shall not constitute the Chargee or any such person a receiver within the meaning of the Act, and that any and all requirements of Part XI of the Act as it may pertain to obligations of receivers shall not be applicable to the Chargee with respect to the transaction pursuant to which this Charge has been given or enforcement of this Charge or any other security held by the Chargee;
- (c) no action shall lie against the Chargee as receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the Act, whether or not the Chargee had reasonable grounds to believe that the Chargor was not insolvent; and
- (d) any and all costs or expenses as may be incurred from time to time by the Chargee in order to effect compliance with or avoid any adverse ramifications of the Act shall be entirely for the account of the Chargor. The Chargee shall be entitled to incur any such costs or expenses, including any costs of its personnel in administering any requirements of the Act and to add the same to the indebtedness owing and the same shall be secured hereunder and under any and all security held by the Chargee for the indebtedness owing to the Chargee in the same manner and in the same priority as the principal secured hereunder.

38. INDEPENDENT LEGAL REPRESENTATION

The Chargor (the "Party") hereto acknowledge that they have full knowledge of the purpose and essence of this Charge/Mortgage transaction, and that they have been appropriately and independently legally represented in that regard. The Party agrees to provide to the Chargee a Certificate of Independent Legal Representation as and when the same may be required, regarding their knowledge and understanding of this transaction.

39. SECURITY INTEREST IN CHATTELS

It is hereby mutually covenanted and agreed by and between the parties hereto that all chattels, erections and improvements, fixed or otherwise, now or hereafter put upon the Property and owned by the Chargor, including, but without limiting the generality of the foregoing, all drapes, lobby furniture, refrigerators and stoves, heating equipment, air-conditioning and ventilation equipment, blinds, storm windows and doors, window screens, etc. and all apparatus and equipment appurtenant thereto are and shall in addition to other fixtures thereon, be and become fixtures and an accession to the freehold and a part of the realty as between the parties hereto, their heirs, executors, administrators, successors, legal representatives and assigns, and all persons claiming thereunder and shall be a portion of the security for the indebtedness hereinbefore mentioned.

The Chargor covenants and agrees to execute and deliver to the Chargee, on demand, a security interest in all chattels, furnishings, equipment, appliances and all other personal property owned now or in the future by the Chargor and situate in or about the herein described lands. The form and content of such security interest shall be acceptable to the Chargee. The Chargor agrees to pay all legal and other expenses incurred by the Chargee in connection with the preparation and registration of the security interest and any renewals thereof forthwith upon demand and such fees and expenses, together with interest thereon at the interest rate charged hereunder, shall be added to the principal sum secured by the within charge if not paid by the Chargor.

40. INSURANCE

The Chargor will at all times during the term maintain the insurance required by the Charge including, without limitation, the following coverages:

- a. All risks of direct physical loss or damage, including, without limitations, coverage for the foundations of all improvements and flood and earthquake coverage, all on a replacement cost basis with loss payable to the Chargee under an Insurance Bureau of Canada Charge clause; the policy should allow for the improvements on the property to be completed (if applicable), for partial occupancy, and for the property to be vacant and unoccupied for a period of at least 30 days;

- b. Comprehensive broad form boiler and machinery insurance covering all pressure vessels (whether fired or unfired), air conditioning and miscellaneous electrical apparatus on the property, for an amount satisfactory to the Chargee, with loss payable to the Chargee under a Boiler and Machinery Insurance Association Charge clauses;
- c. Business interruption or rental income loss coverage on a gross profits or rentals form sufficient to cover 100% of the loss of rent or loss of business income from the business conducted on the property for a period of twelve (12) months, based on the greater of actual or projected revenue, in respect of all perils described in (a) and (b) above;
- d. Comprehensive general liability insurance, inclusive of bodily injury, death, property damage for loss, for a minimum amount of \$3,000,000.00 per occurrence or such other amount as the Chargee may reasonably request;
- e. Theft of chattels;
- f. Prior to any advance of the Principal Amount, the Chargor will provide to the Chargee or its solicitors, original or certified copies of insurance policies providing the above coverages. The Chargee may have the insurance policies reviewed by a qualified property insurance consultant to ensure the insurance requirements of the Commitment Letter are satisfied;
- g. During such time or times as there is construction of any building or other improvements on the Property, the Chargor will maintain builder's all-risk builder's insurance with stated amount clause for the improvements for full insurable value; and
- h. Evidence of policy renewal or satisfactory replacement must be provided annually at least thirty (30) days before expiry.

In addition to any other insurance provisions contemplated by this Charge or the Standard Charge Terms registered as No. 200033: Although the Chargee reserves the right to insist that all policies be on a "no co-insurance" basis, the Chargee may consider accepting stated amount co-insurance provided that the Chargor shall at all times maintain a sufficient amount of insurance to prevent the Chargor from becoming a co-insurer under the terms and conditions of the policy.

Each policy shall be in a form and with an insurer satisfactory to the Chargee and will provide that any loss shall be payable to the Chargee as their interest may appear, subject to the standard form of Charge clauses approved by the Insurance Bureau of Canada. The above referenced policies shall provide that the Chargee shall receive thirty (30) days' prior written notice of cancellation or material change to the policies. The Chargor will furnish to the Chargee or its solicitors, prior to the advance of any funds, original or certified copies of insurance policies providing the above coverage. Evidence of policy renewal or satisfactory replacement must be provided annually at least (30) days before expiry of the policy.

If the Chargor fails to comply with the insurance obligations herein, the Chargee may take out insurance which it deems adequate and the Chargor shall pay to the Chargee, on demand, all sums paid for that purpose plus accrued interest up to the reimbursement date at the rate payable hereunder.

In the event of a loss, the Chargor shall immediately advise the Chargee and shall not undertake any repairs or renovations without the consent of the Chargee. The Chargor acknowledges and agrees that any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating, or repairing any building, or be paid to the Chargor, or be applied in the sole discretion of the Chargee, in full or in part against the amounts due hereunder or any part thereof, whether due or not then due, or paid partly in one way and partly in another.

In the event that the Chargor defaults with respect to any of the terms of any undertakings delivered to the Chargee in consideration of the advance of funds under this Charge, or thereafter or with respect to any covenant contained in these additional provisions, such default will be an event of default under this Charge and entitle the Chargee to all of its remedies hereunder, including the acceleration of the principal without further notice to the Chargor.

The Chargee shall be entitled to its standard servicing fee for dealing with each cancellation, premium payment or other non-compliance with insurance requirements. In the event that the evidence of continuation of insurance as herein required has not been delivered to the Chargee, the Chargee shall be entitled to its standard servicing fee for each written inquiry which the Chargee shall make to the insurer pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenant). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee in addition to the aforementioned servicing fee shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

41. GENERAL SECURITY AGREEMENT

PROVIDED that it is understood and agreed by the Chargor and the Chargee that a General Security Agreement and Assignment of Rents (the "Security Documents") are given as additional security to this charge and both the Charge and the Security Documents are securing the same principal amount, bearing the same terms of repayment and the same rate of interest as the herein Charge. The Charge and the

Security Documents shall constitute one security for the benefit of the Chargee and payment on account of one shall constitute payment pro tanto on account of the other and that default under either the Charge or Security Documents shall constitute default under both and upon repayment of the herein Charge, the Chargee shall forthwith deliver to the Chargor the executed discharge of the Charge in registerable form at the Chargor's expense and a re-assignment of the Security Documents.

IT IS AGREED that the Chargee's rights hereunder shall in no way merge or be affected by any proceedings which the Chargee may take under the Security Documents and that the Chargee shall not be required to take proceedings under the Security Documents before proceeding under this Charge and, conversely, no proceedings under this Charge shall in any way affect the rights of the Chargee under the Security Documents, and the Chargee shall not be required to take proceedings under such Charge before proceeding under the Security Documents.

The Chargor agrees to pay all legal and other expenses incurred by the Chargee in connection with the preparation and registration of any security interests pursuant to the Personal Property Security Act, Ontario and any renewals thereof forthwith upon demand and such fees and expenses, together with interest thereon at the interest rate charges hereunder, shall be added to the principal sum secured by the within charge if not paid by the Chargor.

42. AGREEMENTS IN WRITING

No agreement for modification to the within Charge or to any other security agreement provided to the Chargee, including any renewals hereof or for extension of the time for payment of the indebtedness due hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the Balance Due Date or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no modification, amendment, renewal hereof or extension of the time for payment of any indebtedness due hereunder shall result from, or be implied from, any other act, matter or thing, save only an express agreement in writing between the Chargor and the Chargee.

43. MORTGAGE ADVANCES

The following provisions shall apply to mortgage advances made under this provision:

- (a) The mortgage advances hereunder are to be made in accordance with the mortgage commitment and any modifications agreed upon between the Mortgagor and the Mortgagee.
- (b) The Mortgagor will apply the mortgage advances made hereunder, first in payment of the cost of constructing the building or buildings, or the cost of improvement to the mortgaged premises, before using any part of the mortgage proceeds for any other purpose.
- (c) The Mortgagee, may, at its discretion, make mortgage advances, in accordance with a certificate issued by an independent architect or engineer (approved by or chosen by the Mortgagee), certifying the value of the work in place, at the time of the mortgage advance.
- (d) The Mortgagee, may, at its discretion, pay all or part of the mortgage advances hereunder to the sub-contractors or suppliers of the Mortgagor (or its General Contractor), and such payments shall be deemed to be advances made under this Mortgage.
- (e) Notwithstanding anything herein contained, to the contrary, the Mortgagee shall have the right at all times to hold back, from the Mortgage proceeds an amount or amounts that in the opinion of the Mortgagee, its architects or engineers, will be sufficient to complete the construction of the building or the improvement, in accordance with the plans and specifications approved by the Mortgagee.
- (f) The Mortgagee shall also have the right to withhold from the mortgage advance the amount or amounts required in order to comply with the provisions of the Construction Lien Act.
- (g) The Mortgagor shall give a minimum of five (5) days notice in writing in advance of any mortgage draw requested.

The Mortgagor covenants and agrees not to do any act or thing prohibited by the terms of this Mortgage, or by Law, and it is expressly agreed that, in any of the following events, all obligations on the part of the Mortgagee, to make the mortgage loan or to make any further advance or advances shall, at the option of the Mortgagee, Cease and Terminate, and the Mortgage shall, at the option of the Mortgagee, become immediately due and payable plus any interest accrued to the date of the occurrence, (but the Mortgagee may make advances without becoming liable to make any other advances):

- (i) If the Mortgagor shall assign, convey or encumber in any way, its interest in the mortgaged lands without first obtaining the written consent of the Mortgagee;

- (ii) If the improvement on the said lands or any building that may be erected thereon shall materially encroach upon any adjoining property, or the street, or other municipal property;
- (iii) If the Mortgagor shall not take the mortgage proceeds, or the advances within the time prescribed in the Mortgage commitment; or where the payment of the mortgage advances is dependent upon the erection of a building, the building shall not be fully enclosed or fully completed and ready for occupancy, within the respective times agreed upon with the Mortgagee;
- (iv) If the improvement on the premises shall be in the judgment of the Mortgagee, materially injured or destroyed by fire, or otherwise;
- (v) If the Mortgagor shall fail to comply with any of the covenants contained herein;
- (vi) If the Mortgagor shall not erect the building to the satisfaction of the Mortgagee, in accordance with the plans and specifications, and the plans that have been approved by the municipality, having jurisdiction;
- (vii) If the Mortgagor does not permit the Mortgagee or a representative of the Mortgagee to enter upon the premises and inspect the building at all reasonable times;
- (viii) If the construction of the building be, at any time discontinued, or not carried on with reasonable dispatch, in the judgment of the Mortgagee;
- (ix) If by reason of the death of a Mortgagor or Mortgagors, the heirs, devisees or legal representatives of the deceased Mortgagor (or Mortgagors) shall permit or allow the construction of the building or buildings or the improvements to be discontinued for a period of thirty (30) days or more;
- (x) If any materials, fixtures, or articles used in the construction of the building, or improvement, or appurtenant thereto, be not purchased so that the ownership will vest in the Mortgagor free from encumbrance, on delivery at the premises;
- (xi) If the Mortgagor shall make any conditional purchases, of or execute any chattel mortgage on any material fixtures or articles used in the construction of the building or the improvement, or appurtenant thereto;
- (xii) If the Mortgagor shall fail to comply with any requirement of the Mortgagee, or any Governmental body or authority, having jurisdiction, within thirty (30) days after notice in writing of such requirement shall have been given to the Mortgagor by the Mortgagee, or the Governmental body of authority.

44. CONSTRUCTION LOAN

Provided that the Chargor and Lender agree that this being a construction loan the following conditions shall apply:

- (a) the Chargor further covenants that all installation of services and construction on the lands hereby secured shall be carried out by reputable contractors with sufficient experience in a project of this nature and size, which contractors must be approved by the Lender and which approval shall not be unreasonably withheld.
- (b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Lender and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.
- (c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strikes, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Lender acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Lender shall immediately become due and payable. In the event that construction does cease, then the Lender shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of the servicing and construction of the project by the Lender and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Lender. All costs and

expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Lender shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

- (d) at the option of the Lender, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.
- (e) all advances which are made from time to time hereunder shall be based on Certificates of the Lender's agents, prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

45. LETTERS OF CREDIT

The parties hereto acknowledge and agree that this Charge shall also secure payment by the Chargor to the Lender of all amounts advanced by the Lender pursuant to or by way of issuance of any letters of credit, renewals thereof, substitutions therefor and accretions thereto or pursuant to similar instruments issued at the Chargor's request or on its behalf and issued by the Lender or on behalf of or at the request of or upon the credit of the Lender and the total amount of such letters of credit or similar instruments shall be deemed to have been advanced and fully secured by this Charge from the date of the issuance of such letters of credit or similar instruments, regardless of when or whether such letters of credit or similar instruments are called upon by the holder(s) thereof. In the event of the enforcement or exercise by the Lender of any of the remedies or rights provided for in this Charge, the Lender shall be entitled to retain and shall not be liable to pay or account to the Chargor or any other party in respect of the full amount of any outstanding letters of credit or similar instruments from the proceeds of such enforcement or exercise until such time as the letters of credit or similar instruments have expired, have been canceled and have been surrendered to the Lender or the issuer(s) thereof.

46. COMPLIANCE WITH BY-LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said Property and further agrees at its cost and expense to take any and all steps which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

47. INTEREST

Notwithstanding the provisions of this Charge, no interest payments shall be due until after the first advance of principal, and interest which has accrued on money advanced to the Mortgagor shall be deducted from subsequent advances made by the Mortgagee. After the first advance of principal, and in the event that there are no mortgage advances made between any interest payment dates, then an interest payment, on monies previously advanced, shall be due on the latter payment date.

Construction Lien Act

CLAIM FOR LIEN UNDER SECTION 34 OF THE ACT

Name of Lien Claimant: Sica Masonry & General Contracting Ltd.

Address for Service: 102 Marisa Lane, P.O. Box 966, Cobourg, Ontario K9A 5P9

Name of Owner: 1713515 Ontario Limited

Address: c/o Ron Christopher, 140 South Line, R.R. #1, Fraserville, Ontario K0L 1V0.

Name of person to whom lien claimant supplied services or materials:

1713515 Ontario Limited

Address: c/o Ron Christopher, 140 South Line, R.R. #1, Fraserville, Ontario K0L 1V0.

Time within which services or materials were supplied:

from
January 12, 2009

to
March 18, 2010

Short description of services or materials that have been supplied: general contracting and construction management.

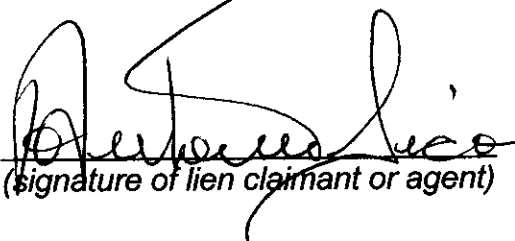
Contract price or subcontract price (estimated) \$2,010,000.00

Amount claimed as owing in respect of services or materials that have been supplied: \$203,655.76

A. The lien claimant claims a lien against the interest of every person identified above as an owner of the premises described in Schedule A to this claim for lien.

~~B. The lien claimant claims a charge against the holdbacks required to be retained under the Act and any additional amount owed by a payer to the contractor or to any subcontractor whose contract or subcontract was in whole or in part performed by the services or materials that have been supplied by the lien claimant in relation to the premises at:~~

April 7, 2010


(signature of lien claimant or agent)

Schedule A

To the claim for lien of: Sica Masonry & General Contracting Ltd.

Description of premises:

PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE PTS 1 & 2 39R11490; PORT HOPE. PIN 51073-0050 (LT).

AFFIDAVIT OF VERIFICATION OF LIEN CLAIM UNDER SECTION 34 OF THE ACT

I, Antonio Sica, make oath and say as follows:

~~A. 1. I am the lien claimant named in the attached claim for lien;~~

~~2. The facts stated in the claim for lien are true.~~

B. 1. I am the agent of the lien claimant named in the attached claim for lien;

2. I have informed myself of the facts stated in the claim for lien, and I believe those facts to be true.

~~C. 1. I am a trustee of the workers' trust fund, which is named as the lien claimant in the attached claim for lien;~~

~~2. I have informed myself of the facts stated in the claim for lien, and I believe these facts to be true.~~

Sworn before me, at the Town of Cobourg, in the County of Northumberland, on April 7, 2010.

Commissioner for Taking Affidavits

)
)
)
)
)
)

Antonio Sica

(3)

ND 44332

CERTIFICATE OF RECEIPT
NORTHUMBERLAND (39) COBOURG

APR 08 2010 12:34

Belman Fogel
LAND REGISTRAR

FOR OFFICE USE ONLY

ND 47283
CERTIFICATE OF RECEIPT
NORTHUMBERLAND (39) COBOURG
JUN 09 2010 12:44
Bahman Fazel
LAND REGISTRAR

New Property Identifier

Additional: See Schedule

Executions

Additional: See Schedule

(1) Registry <input type="checkbox"/>	Land Titles <input checked="" type="checkbox"/>	(2) Page 1 of 3 pages <i>DF</i>	
(3) Property Identifiers	Block <i>51073 - 0050</i>	Property	Additional: See Schedule <input type="checkbox"/>
(4) Nature of Document CERTIFICATE OF ACTION Construction Lien Act, R.S.O. 1990, chapter c.30			
(5) Consideration Two Hundred Three Thousand Six Hundred Fifty-Five 76/100 Dollars \$ 203,655.76			
(6) Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE; PTS 1 & 2 39R11490; PORT HOPE. PIN 51073-0050 (LT).			
(7) This Document Contains	(a) Redescription New Easement Plan/Sketch <input type="checkbox"/>	(b) Schedule for: Description <input type="checkbox"/>	Additional Parties <input type="checkbox"/> Other <input type="checkbox"/>

(8) This Document provides as follows:
CERTIFICATE OF ACTION ATTACHED

Continued on Schedule

(9) This Document relates to instrument number(s) **ND44332**

(10) Parties (Set out Status or Interest)

Name(s)	Signature(s)	Date of Signature
		Y M D
SICA MASONRY & GENERAL CONTRACTING LTD.	<i>Linda Hamilton</i> LINDA HAMILTON, agent per Stephen Bale, lawyer	2010 06 10

(11) Address for Service **102 Marisa Lane, Cobourg, Ontario K9A 5P9**

(12) Party(ies) (Set out Status or Interest)

Name(s)	Signature(s)	Date of Signature
		Y M D
1713515 ONTARIO LIMITED		
ONTARIO WEALTH MANAGEMENT CORPORATION		

(13) Address for Service **140 South Line, R.R. #1 Fraserville, Ontario K0L 1V0**

(14) Municipal Address of Property
81 Walton Street
Port Hope, Ontario
L1A 1N2

(15) Document Prepared by:
Stephen Bale
Barrister
72 King Street West
Room 202
Cobourg, Ontario
K9A 2M3

Fees and Tax	
Registration Fee	<i>70</i>
Total	<i>70</i>

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

SICA MASONRY & GENERAL CONTRACTING LTD.

Plaintiff

- and -

CERTIFIED TO BE A TRUE COPY OF THE ORIGINAL
COPIE AUTHENTIQUE CERTIFIEE ET CONFORME A L'ORIGINAL

Dated this 8th day of June
O/A 8 June A.D. 2010

LOCAL REGISTRAR
SUPERIOR COURT OF JUSTICE
GRAPPIER LOCAL
COUR SUPERIEURE DE JUSTICE

1713515 ONTARIO LIMITED
and ONTARIO WEALTH MANAGEMENT CORPORATION

Defendants

CERTIFICATE OF ACTION

I certify that an action has been commenced in the Superior Court of Justice under the *Construction Lien Act* between the above parties in respect of the premises described in Schedule A to this certificate and relating to the claim for lien bearing the following registration number: ND44332.

Date JUN 08 2010

Issued by Susan Hanmer
Local registrar

Address of court office 860 William Street
Cobourg, Ontario
K9A 3A9

SCHEDULE A

Description of premises:

PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE; PTS 1 & 2 39R11490; PORT HOPE. PIN 51073-0050 (LT).

No. 54110

SICA MASONRY & GENERAL CONTRACTING LTD. - and - 1713515 ONTARIO LIMITED and another

SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Cobourg

CERTIFICATE OF ACTION

Stephen Bale
Barrister
72 King Street West
Room 202
Cobourg, Ontario
K9A 2M3
(905) 372-1241 (fax)
(905) 372-0835 (voice)
Law Society registration no. 19419B
Lawyer for the plaintiff

Properties

PIN 51073 – 0050 LT *Interest/Estate* Fee Simple
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART
 PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 81 WALTON ST
 PORT HOPE

Party From(s)

Name ONTARIO SUPERIOR COURT OF JUSTICE
Address for Service

Applicant(s)*Capacity**Share*

Name SF PARTNERS INC.
Address for Service 4950 Yonge Street
 4th Floor
 Toronro, Ontario
 M2N 6K1

Statements

The applicant applies to register the following order 87/10. The order is still in full force and effect

Schedule: See Schedules

Signed By

Marc Addison Lean 222 Bay Street, PO Box 124, Ernst acting for Signed 2010 12 24
 & Young Tower Applicant(s)
 Toronto
 M5K 1H1

Tel 4167770101

Fax 4168651398

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

Submitted By

AYLESWORTH LLP 222 Bay Street, PO Box 124, Ernst 2010 12 24
 & Young Tower
 Toronto
 M5K 1H1

Tel 4167770101

Fax 4168651398

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Applicant Client File Number : 16785-1

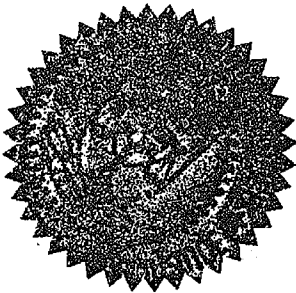
ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O 1990 C. C.43, AS AMENDED, AND SECTION 68(1) OF THE CONSTRUCTION LIEN ACT, R.S.O. 1990 C. C. 30, AS AMENDED

THE HONOURABLE *MR.*) *WEDNESDAY* THE *1ST* DAY
)
JUSTICE *M. EDWARDS*) OF *September*, 2010

BETWEEN:

ONTARIO WEALTH MANAGEMENT CORPORATION



Applicant

- and -

1713515 ONTARIO LIMITED

Respondent

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA"), and section 68(1) of the *Construction Lien Act*, R.S.O. 1990 c. C.30, as amended (the "CLA") appointing SF Partners Inc. receiver and construction lien trustee (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondent (the "Debtor") acquired for, or

used in relation to a business carried on by the Debtor, was heard this day at the Courthouse at 860 William St., Cobourg Ontario.

ON READING the affidavit of Graham Tobe sworn July 22, 2010 and the Exhibits thereto, the Affidavit of Antonio Sica sworn August 16, 2010, the Affidavit of John Mulvihill sworn August 27, 2010 and the Exhibit thereto, the Affidavit of Ronald Christopher sworn August 30, 2010 and the Exhibits thereto, and on hearing the submissions of counsel for Applicant, counsel for the Respondent and counsel for the lien claimant Sica Masonry & General Contracting Ltd. ("Sica") and on reading the consent of SF Partners Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, and section 68(1) of the CLA, SF Partners Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, including but without limiting the generality of the foregoing, the lands and premises legally described in Schedule "A" hereto (the "Lands") (collectively, the "Property").

RECEIVER'S POWERS

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

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

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

- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) to report to, meet with and discuss with such affected Persons (as defined below) including Sica as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the

foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court; provided however that leave shall not be required by Sica to continue its action in Court File No. 54/10 in Cobourg against the Debtor and the Property (the "Sica Action").

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that, save and except for the Sica Action, all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in

pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,0000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

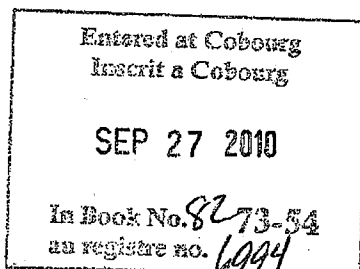
25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

27. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

28. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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



Angie Emery
Registrar

SCHEDULE "A"

LEGAL DESCRIPTION OF THE LANDS

PIN: 51073-0050 (LT)

DESCRIPTION: PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN
PLOT LT 55 PL STEWART PORT HOPE PTS 1 & 2 39R11490;
PORT HOPE.

ADDRESS: 81 Walton Street, Port Hope, Ontario

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that SF Partners Inc., the receiver (the "Receiver") of the assets, undertakings and properties acquired for, or used in relation to a business carried on by 1713515 Ontario Limited, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an application having Court file number 87/10 in Cobourg has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the ____ day of _____, 20__.

SF PARTNERS INC., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT COBOURG

ORDER

SOLOMON GROSBERG LLP
Barristers & Solicitors
55 University Avenue
Suite 1704
Toronto, Ontario, M5J 2H7

DAVID P. PREGER
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ELISA C. GIACOMELLI
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Email: egiacomelli@solgro.com

Tel: (416) 366-7828
Fax: (416) 366-3513

Lawyers for the Applicant
60/661

Properties

PIN 51073 – 0050 LT
Description PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55 PL STEWART PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.
Address 81 WALTON ST
 PORT HOPE

Consideration

Consideration \$600,000.00

Party From(s)

Name ONTARIO SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST
Address for Service 330 University Avenue – 7th Floor
 Toronto, Ontario
 M5G 1R7

Owner(s)*Capacity**Share*

Name 2323044 ONTARIO LIMITED
Address for Service 21 Winchester Street
 Toronto, Ontario
 M4X 1A6

Statements

The applicant who is authorized by court order file no. FILE NO. 87/10 dated 2010/09/01, which is still in full force and effect, applies to have the register amended as follows: by deleting the name of the registered owner, 1713515 Ontario Limited and replacing it with the name of the new registered owner, 2323044 Ontario Limited and by deleting the instruments set out in Schedule "C" of the attached Order. 2323044 Ontario Limited is the Purchaser described in the Approval and Vesting Order attached hereto.

Schedule: See Schedules

This document relates to registration no.(s)ND7576

Signed By

Marc Addison Lean 222 Bay Street, PO Box 124, Ernst acting for Owner First 2012 05 16
 & Young Tower (s) Signed
 Toronto
 M5K 1H1

Tel 4167770101

Fax 4168651398

Marc Addison Lean 222 Bay Street, PO Box 124, Ernst acting for Owner Last 2012 05 17
 & Young Tower (s) Signed
 Toronto
 M5K 1H1

Tel 4167770101

Fax 4168651398

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

Submitted By

DICKINSON WRIGHT LLP 222 Bay Street, PO Box 124, Ernst 2012 05 17
 & Young Tower
 Toronto
 M5K 1H1

Tel 4167770101

Fax 4168651398

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Fees/Taxes/Payment

Provincial Land Transfer Tax	\$7,475.00
Total Paid	\$7,535.00

File Number

Party From Client File Number : 41225-120

LAND TRANSFER TAX STATEMENTS

In the matter of the conveyance of: 51073 – 0050 PT TOWN PLOT LT 54 PL STEWART PORT HOPE; PT TOWN PLOT LT 55
PL STEWART PORT HOPE PTS 1 & 2 39R11490; PORT HOPE.

BY: ONTARIO SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST

TO: 2323044 ONTARIO LIMITED

1. SEAN CAMPBELL

I am

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- (c) A transferee named in the above-described conveyance;
- (d) The authorized agent or solicitor acting in this transaction for _____ described in paragraph(s) () above.
- (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for 2323044 ONTARIO LIMITED described in paragraph(s) (c) above.
- (f) A transferee described in paragraph() and am making these statements on my own behalf and on behalf of _____ who is my spouse described in paragraph() and as such, I have personal knowledge of the facts herein deposited to.
-

2. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein:

does not contain a single family residence or contains more than two single family residences.

3. **The total consideration for this transaction is allocated as follows:**

(a) Monies paid or to be paid in cash	600,000.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	600,000.00
(h) VALUE OF ALL CHATTELS –items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	600,000.00

PROPERTY Information Record

A. Nature of Instrument: Application For Vesting Order
LRO 39 Registration No. ND75867 Date: 2012/05/16

B. Property(s): PIN 51073 – 0050 Address 81 WALTON ST Assessment 1423125 – 09014100
PORT HOPE Roll No

C. Address for Service: 21 Winchester Street
Toronto, Ontario
M4X 1A6

D. (i) Last Conveyance(s): PIN 51073 – 0050 Registration No. ND7576
(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes No Not known

E. Tax Statements Prepared By: Marc Addison Lean
222 Bay Street, PO Box 124, Ernst & Young
Tower
Toronto M5K 1H1

SCHEDULE TO APPLICATION FOR VESTING ORDER

In accordance with Section 5 of the vesting order attached, the Purchaser referred to therein, being the applicant herein, has received a Receiver's Certificate substantially in the form attached to the vesting order as Schedule "A" thereto.

The signed Receiver's certificate is also attached.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

ONTARIO WEALTH MANAGEMENT CORPORATION

Applicant

- and -

1713515 ONTARIO LIMITED

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice M. Edwards of the Ontario Superior Court of Justice (the "Court") dated September 10, 2010, SF Partners Inc. was appointed as the receiver and construction lien trustee (the "Receiver") of the undertaking, property and assets of 1713515 Ontario Limited (the "Debtor").

B. Pursuant to an Order of the Court dated April 25, 2012, the Court approved the agreement of purchase and sale made as of March 8, 2012 (the "Sale Agreement") between the Receiver and Sean Campbell in trust for a numbered corporation to be incorporated (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the

payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at 15 on May, 2012.

SF Partners Inc., in its capacity as Receiver of the undertaking, property and assets of 1713515 Ontario Limited, and not in its personal capacity

Per: 

Name: Brahm Rosen

Title: Senior Vice President

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE *MK*)
JUSTICE *MCCARTHY*)
)

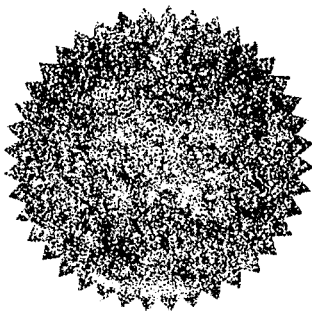
FRIDAY, THE 27th
DAY OF APRIL, 2012

B E T W E E N:

ONTARIO WEALTH MANAGEMENT CORPORATION

Applicant

- and -



1713515 ONTARIO LIMITED

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by SF Partners Inc. in its capacity as the Court-appointed receiver and construction lien trustee (the "Receiver") of the undertaking, property and assets of 1713515 Ontario Limited (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Sean Campbell in trust for a numbered corporation to be incorporated (the "Purchaser") dated March 8, 2010 and appended as Appendix "D" to the First Report of the Receiver dated April 23, 2011 (the "Report"), and vesting in the Purchaser the Debtor's right,

title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at the Courthouse at 470 Water Street, in Peterborough, Ontario.

ON READING the Notice of Motion and the First Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Christina Corrente sworn April 24, 2012 and filed:

1. THIS COURT ORDERS that leave be and is hereby granted to transfer this proceeding from Cobourg to Peterborough for one day in order to permit this Motion to be heard on this day.
2. THIS COURT ORDERS that the time for service of the Notice of Motion and the First Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
3. THIS COURT ORDERS that the activities and proposed activities of the Receiver described in the First Report be are hereby approved.
4. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser or as the Purchaser may in writing direct.
5. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, or as the Purchaser may in writing direct, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the

Honourable Justice M. Edwards dated September 1, 2010; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

6. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Northumberland (No. 39) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule "B" hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule "C" hereto.

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

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

9. THIS COURT ORDERS that, notwithstanding:


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

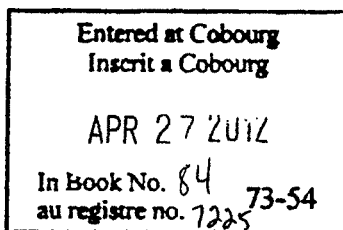
- (c) any assignment in bankruptcy made in respect of the Debtor;

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

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

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





Schedule "A"

Form of Receiver's Certificate

Court File No. 87/10

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ONTARIO WEALTH MANAGEMENT CORPORATION

Applicant

- and -

1713515 ONTARIO LIMITED

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice M. Edwards of the Ontario Superior Court of Justice (the "Court") dated September 10, 2010, SF Partners Inc. was appointed as the receiver and construction lien trustee (the "Receiver") of the undertaking, property and assets of 1713515 Ontario Limited (the "Debtor").

B. Pursuant to an Order of the Court dated April 25, 2012, the Court approved the agreement of purchase and sale made as of March 8, 2012 (the "Sale Agreement") between the Receiver and Sean Campbell in trust for a numbered corporation to be incorporated (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the

payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____, 2012.

**SF Partners Inc., in its capacity as Receiver of
the undertaking, property and assets of
1713515 Ontario Limited, and not in its
personal capacity**

Per: _____

Name: Brahm Rosen

Title: Senior Vice President

Schedule "B"

REAL PROPERTY

Part Town Plot Lot 54, Parcel Stewart Port Hope; Part Town Plot Lot 55, Plan Stewart Port Hope
Parts 1 and 2 Reference Plan 39R-11490, Port Hope (No. 39

Being all of PIN 51073-0050 (LT)

municipally known as 81 Walton Street, Port, Ontario.

Schedule "C"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 51073-0050 (LT)**

1. Instrument ND7576 registered on 2007/04/11 – Tran Power Sale
2. Instrument ND22245 registered on 2008/11/10 – Charge
3. Instrument ND22246 registered on 2008/11/10 - No Assgn Rent Gen
4. Instrument ND37637 registered on 2009/10/27 - Notice
5. Instrument ND44332 registered on 2010/04/08 - Construction Lien
6. Instrument ND47283 registered on 2010/06/10 - Certificate
7. Instrument ND56239 registered on 2010/12/24 - Apl Court Order
8. Instrument ND56403 registered on 2011/01/05 - No Chng ADDR Inst

Schedule "D"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN ON
PIN 51073-0050 (LT)**

1. Instrument STEW1 registered on 1872/03/11 – Plan Subdivision
2. Instrument PH64318 registered on 1980/11/14 – Bylaw
3. Instrument 9R1788 registered on 1986/05/06 - Plan Reference
4. Instrument 39R11490 registered on 2007/03/30 - Plan Reference

ONTARIO WEALTH MANAGEMENT CORPORATION
Applicant

-and-

1713515 ONTARIO LIMITED
Respondent

Court File No. 87/10

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
COBOURG

APPROVAL AND VESTING ORDER

DICKINSON WRIGHT LLP
Barristers & Solicitors
Toronto-Dominion Centre
18th Floor, P.O. Box 124
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Toronto Ontario, M5K 1H1

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LISA S. CORNE (27974M)
Email: LCorne@dickinsonwright.com
Tel: (416) 646-4608

Fax: (416) 865-1398

Lawyers for SF Partners, Court-appointed Receiver over the
assets of 1713515 Ontario Limited

MARSHALLZEHR GROUP INC.

-and-

LA PUE INTERNATIONAL INC., ET AL.

Applicant

Respondent

Court File no. CV-2300700695-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

RESPONDING MOTION RECORD

(Volume II)

(Motion Returnable March 7, 2025)

BISCEGLIA & ASSOCIATES

PROFESSIONAL CORPORATION

Barristers-At-Law

9100 Jane Street, Bldg. "A",

Suite 200 Vaughan, Ontario L4K 0A4

Fernando Souza – LS0 No. 36920I

Tel. 905 695 1500

Email: fsouza@lawtoronto.com

Lawyers for the Respondent, Buttcon
Limited